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# HOUSE FILE No. 2227

## *FIRST COMMITTEE ENGROSSMENT*

March 19, 2007

Authored by Juhnke

The bill was read for the first time and referred to the Committee on Finance

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*Referred by Chair to Agriculture, Rural Economies and Veterans Affairs Finance Division.*

March 28, 2007

*Returned to the Committee on Finance as Amended.*

### A bill for an act

1.1 relating to appropriations; appropriating money for agriculture and veterans  
1.2 affairs; modifying disposition of certain revenue and funds; modifying certain  
1.3 grant and loan requirements; modifying use of Minnesota grown label;  
1.4 modifying and creating certain funds and accounts; eliminating the aquatic pest  
1.5 control license; modifying permit and safeguard requirements; modifying and  
1.6 establishing certain fees and surcharges; creating a food safety and defense task  
1.7 force; requiring certain studies and reports; providing for NextGen energy;  
1.8 changing certain provisions related to veterans; amending Minnesota Statutes  
1.9 2006, sections 3.737, subdivision 1; 3.7371, subdivision 3; 17.03, subdivision  
1.10 3; 17.101, subdivision 2; 17.102, subdivisions 1, 3, 4, by adding subdivisions;  
1.11 17.117, subdivisions 1, 4, 5a, 5b, 11; 17.982, subdivision 1; 17.983, subdivision  
1.12 1; 17B.03, by adding a subdivision; 18B.065, subdivisions 1, 2a; 18B.26,  
1.13 subdivision 3; 18B.33, subdivision 1; 18B.34, subdivision 1; 18B.345; 18C.305,  
1.14 by adding a subdivision; 18E.02, subdivision 5, by adding a subdivision; 18E.03,  
1.15 subdivision 4; 28A.04, subdivision 1; 28A.06; 28A.082, subdivision 1; 32.21,  
1.16 subdivision 4; 32.212; 32.394, subdivision 4; 32.415; 41B.03, subdivision 1;  
1.17 41B.043, subdivisions 2, 3, 4; 41B.046, subdivision 4; 41B.047; 41B.055;  
1.18 41B.06; 41C.05, subdivision 2; 116.0714; 156.001, by adding subdivisions;  
1.19 156.12, subdivision 1; 197.75; 198.002, subdivision 2; 198.004, subdivision 1;  
1.20 239.7911, subdivision 1; 469.310, by adding a subdivision; proposing coding  
1.21 for new law in Minnesota Statutes, chapters 18C; 28A; 35; 38; 41A; 192; 197;  
1.22 469; repealing Minnesota Statutes 2006, sections 17.109; 18B.315; 18C.425,  
1.23 subdivision 5; 32.213; 35.08; 35.09; 35.10; 35.11; 35.12; 41B.043, subdivision  
1.24 1a; 156.075; Minnesota Rules, parts 1705.0840; 1705.0850; 1705.0860;  
1.25 1705.0870; 1705.0880; 1705.0890; 1705.0900; 1705.0910; 1705.0920;  
1.26 1705.0930; 1705.0940; 1705.0950; 1705.0960; 1705.0970; 1705.0980;  
1.27 1705.0990; 1705.1000; 1705.1010; 1705.1020; 1705.1030; 1705.1040;  
1.28 1705.1050; 1705.1060; 1705.1070; 1705.1080; 1705.1086; 1705.1087;  
1.29 1705.1088.  
1.30

1.31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**ARTICLE 1**

**AGRICULTURE AND VETERANS AFFAIRS**

**APPROPRIATIONS**

**Section 1. SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$ 66,507,000	\$	66,570,000	\$	<u>133,077,000</u>
<u>State Government Special Revenue</u>	338,000		338,000		676,000
<u>Remediation</u>	388,000		388,000		776,000
<b><u>Total</u></b>	<b>\$ 67,233,000</b>	<b>\$</b>	<b>67,296,000</b>	<b>\$</b>	<b><u>134,529,000</u></b>

**Sec. 2. AGRICULTURE AND VETERANS AFFAIRS APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2007, are effective the day following final enactment.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

**Sec. 3. DEPARTMENT OF AGRICULTURE**

**Subdivision 1. Total Appropriation**                      **\$**    **45,274,000** **\$**    **46,158,000**

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	44,886,000	45,770,000
<u>Remediation</u>	388,000	388,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

3.1	<b><u>Subd. 2. Protection Services</u></b>		<u>14,527,000</u>	<u>13,995,000</u>
3.2		<u>Appropriations by Fund</u>		
3.3	<u>General</u>	<u>14,139,000</u>	<u>13,607,000</u>	
3.4	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>	
3.5	<u>\$388,000 the first year and \$388,000 the</u>			
3.6	<u>second year are from the remediation fund</u>			
3.7	<u>for administrative funding for the voluntary</u>			
3.8	<u>cleanup program.</u>			
3.9	<u>\$600,000 the first year is for research,</u>			
3.10	<u>evaluation, and effectiveness monitoring of</u>			
3.11	<u>agricultural practices in restoring impaired</u>			
3.12	<u>waters. The funding must not be used</u>			
3.13	<u>to hire additional employees to perform</u>			
3.14	<u>these activities. This appropriation remains</u>			
3.15	<u>available until spent.</u>			
3.16	<u>\$200,000 the first year and \$200,000 the</u>			
3.17	<u>second year are for clean water legacy</u>			
3.18	<u>technical assistance in the development of</u>			
3.19	<u>total maximum daily load (TMDL) plans.</u>			
3.20	<u>\$263,000 the first year and \$267,000 the</u>			
3.21	<u>second year are for additional invasive</u>			
3.22	<u>species control activities.</u>			
3.23	<u>\$90,000 the first year and \$92,000 the second</u>			
3.24	<u>year are for additional meat inspection</u>			
3.25	<u>activities.</u>			
3.26	<u>\$346,000 the first year and \$205,000 the</u>			
3.27	<u>second year are for electronic inspection</u>			
3.28	<u>system costs for dairy and food inspections.</u>			
3.29	<u>\$120,000 the first year and \$123,000 the</u>			
3.30	<u>second year are for emergency planning</u>			
3.31	<u>activities.</u>			
3.32	<u>\$141,000 the first year and \$143,000 the</u>			
3.33	<u>second year are for livestock premise</u>			
3.34	<u>identification activities that increase the</u>			

4.1 state's ability to respond to animal health  
4.2 emergencies.

4.3 \$50,000 the first year is for export grain  
4.4 inspections at the Port of Duluth. This is a  
4.5 onetime appropriation.

4.6 **Subd. 3. Agricultural Marketing and**  
4.7 **Development**

7,712,000

5,086,000

4.8 \$186,000 the first year and \$186,000 the  
4.9 second year are for transfer to the Minnesota  
4.10 grown account and may be used as grants  
4.11 for Minnesota grown promotion under  
4.12 Minnesota Statutes, section 17.102. Grants  
4.13 may be made for one year. Notwithstanding  
4.14 Minnesota Statutes, section 16A.28, the  
4.15 appropriations encumbered under contract on  
4.16 or before June 30, 2009, for Minnesota grown  
4.17 grants in this paragraph are available until  
4.18 June 30, 2011. \$50,000 of the appropriation  
4.19 in each year is for efforts that identify  
4.20 and promote Minnesota grown products  
4.21 in retail food establishments including but  
4.22 not limited to restaurants, grocery stores,  
4.23 and convenience stores. The balance in the  
4.24 Minnesota grown matching account in the  
4.25 agricultural fund is canceled to the Minnesota  
4.26 grown account in the agricultural fund and  
4.27 the Minnesota grown matching account is  
4.28 abolished.

4.29 \$160,000 the first year and \$160,000 the  
4.30 second year are for grants to farmers for  
4.31 demonstration projects involving sustainable  
4.32 agriculture as authorized in Minnesota  
4.33 Statutes, section 17.116. Of the amount  
4.34 for grants, up to \$20,000 may be used for  
4.35 dissemination of information about the  
4.36 demonstration projects. Notwithstanding

5.1 Minnesota Statutes, section 16A.28, the  
5.2 appropriations encumbered under contract  
5.3 on or before June 30, 2009, for sustainable  
5.4 agriculture grants in this paragraph are  
5.5 available until June 30, 2011.

5.6 \$100,000 the first year and \$100,000  
5.7 the second year are to provide training  
5.8 and technical assistance to county and  
5.9 town officials relating to livestock siting  
5.10 issues and local zoning and land use  
5.11 planning, including a checklist template that  
5.12 would clarify the federal, state, and local  
5.13 government requirements for consideration  
5.14 of an animal agriculture modernization  
5.15 or expansion project. In developing the  
5.16 training and technical assistance program,  
5.17 the commissioner may seek assistance from  
5.18 the local planning assistance center of the  
5.19 Department of Administration and shall seek  
5.20 guidance, advice, and support of livestock  
5.21 producer organizations, general agricultural  
5.22 organizations, local government associations,  
5.23 academic institutions, other government  
5.24 agencies, and others with expertise in land  
5.25 use and agriculture.

5.26 \$103,000 the first year and \$106,000 the  
5.27 second year are for additional integrated pest  
5.28 management activities.

5.29 \$2,700,000 the first year is for the agricultural  
5.30 best management practices loan program. At  
5.31 least \$2,160,000 is available for pass-through  
5.32 to local governments and lenders for  
5.33 low-interest loans.

5.34 \$100,000 the first year and \$100,000 the  
5.35 second year are for annual cost-share

6.1 payments to resident farmers or persons  
6.2 who sell, process, or package agricultural  
6.3 products in this state for the costs of  
6.4 organic certification. Annual cost-share  
6.5 payments per farmer must be three-fourths  
6.6 of the cost of the certification or \$500,  
6.7 whichever is less. In any year that a resident  
6.8 farmer or person who sells, processes, or  
6.9 packages agricultural products in this state  
6.10 receives a federal organic certification  
6.11 cost-share payment, that resident farmer or  
6.12 person is not eligible for state cost-share  
6.13 payments. This appropriation is available  
6.14 until expended. The commissioner may  
6.15 allocate any excess appropriation in either  
6.16 fiscal year for organic producer education  
6.17 efforts, assistance for persons transitioning  
6.18 from conventional to organic agriculture, or  
6.19 sustainable agriculture demonstration grants  
6.20 authorized under Minnesota Statutes, section  
6.21 17.116, and pertaining to organic research  
6.22 or demonstration.

6.23 Subd. 4. **Bioenergy** 16,368,000 19,568,000

6.24 \$15,168,000 the first year and \$15,168,000  
6.25 the second year are for ethanol producer  
6.26 payments under Minnesota Statutes, section  
6.27 41A.09. If the total amount for which  
6.28 all producers are eligible in a quarter  
6.29 exceeds the amount available for payments,  
6.30 the commissioner shall make payments  
6.31 on a pro rata basis. If the appropriation  
6.32 exceeds the total amount for which all  
6.33 producers are eligible in a fiscal year for  
6.34 scheduled payments and for deficiencies  
6.35 in payments during previous fiscal years,  
6.36 the balance in the appropriation is available

7.1 to the commissioner for value-added  
7.2 agricultural programs, including the product  
7.3 processing and marketing grant program  
7.4 under Minnesota Statutes, section 17.101,  
7.5 subdivision 5. The appropriation remains  
7.6 available until spent.

7.7 \$4,400,000 the second year is for grants to  
7.8 bioenergy projects chosen by a majority vote  
7.9 of the NextGen Energy Board. The board  
7.10 shall award grants to owners of Minnesota  
7.11 facilities producing bioenergy or certain  
7.12 nongovernmental entities. For the purposes  
7.13 of this paragraph, "bioenergy" includes  
7.14 transportation fuels derived from cellulosic  
7.15 material as well as the generation of energy  
7.16 for commercial heat, industrial process heat,  
7.17 or electrical power from cellulosic material  
7.18 via gasification or other processes. The board  
7.19 must give priority to a bioenergy facility that  
7.20 is at least 60 percent owned and controlled  
7.21 by farmers, as defined in Minnesota Statutes,  
7.22 section 500.24, subdivision 2, paragraph  
7.23 (n), or natural persons residing in the  
7.24 county or counties contiguous to where the  
7.25 facility is located. Grants are limited to 50  
7.26 percent of the cost of research, technical  
7.27 assistance, or equipment related to bioenergy  
7.28 production or \$500,000, whichever is less.

7.29 Grants to nongovernmental entities for the  
7.30 development of business plans and structures  
7.31 related to community ownership of eligible  
7.32 bioenergy facilities together may not exceed  
7.33 \$150,000. The board shall make a good faith  
7.34 effort to select projects that have merit and  
7.35 when taken together represent a variety of  
7.36 bioenergy technologies, biomass feedstocks,

8.1 and geographic regions of the state. Projects  
8.2 must have a qualified engineer certification  
8.3 on the technology and fuel source. Grantees  
8.4 shall provide reports at the request of the  
8.5 commissioner and must actively participate  
8.6 in the Agricultural Utilization Research  
8.7 Institute's bioenergy roundtable. No later  
8.8 than February 1, 2009, the commissioner  
8.9 shall report on the projects funded under  
8.10 this appropriation to the house and senate  
8.11 committees with jurisdiction over agriculture  
8.12 finance. The commissioner's costs in  
8.13 administering the program may be paid from  
8.14 the appropriation.

8.15 \$200,000 the first year is for a grant to the  
8.16 Minnesota Turf Seed Council for basic  
8.17 and applied agronomic research on native  
8.18 plants, including plant breeding, nutrient  
8.19 management, pest management, disease  
8.20 management, yield, and viability. The grant  
8.21 recipient may subcontract with a qualified  
8.22 third party for some or all of the basic  
8.23 or applied research. The grant recipient  
8.24 must actively participate in the Agricultural  
8.25 Utilization Research Institute's bioenergy  
8.26 roundtable and no later than February 1,  
8.27 2009, must report to the house and senate  
8.28 committees with jurisdiction over agriculture  
8.29 finance. This is a onetime appropriation and  
8.30 is available until spent.

8.31 \$200,000 the first year is for a grant to a joint  
8.32 venture combined heat and power energy  
8.33 facility located in Scott or LeSueur County  
8.34 for the creation of a centrally located biomass  
8.35 fuel supply depot with the capability of  
8.36 unloading, processing, testing, scaling, and

9.1 storing renewable biomass fuels. The grant  
9.2 must be matched on at least a three-to-one  
9.3 basis with nonstate funds. The grant recipient  
9.4 must actively participate in the Agricultural  
9.5 Utilization Research Institute's bioenergy  
9.6 roundtable and no later than February 1,  
9.7 2009, must report to the house and senate  
9.8 committees with jurisdiction over agriculture  
9.9 finance. This is a onetime appropriation and  
9.10 is available until spent.

9.11 \$200,000 the first year is for a grant to the  
9.12 Bois Forte Band of Chippewa for a feasibility  
9.13 study of a renewable energy biofuels  
9.14 demonstration facility on the Bois Forte  
9.15 Reservation in St. Louis and Koochiching  
9.16 Counties. The grant shall be used by the Bois  
9.17 Forte Band to conduct a detailed feasibility  
9.18 study of the economic and technical viability  
9.19 of developing a multistream renewable  
9.20 energy biofuels demonstration facility  
9.21 on Bois Forte Reservation land to utilize  
9.22 existing forest resources, woody biomass,  
9.23 and cellulosic material to produce biofuels or  
9.24 bioenergy. The grant recipient must actively  
9.25 participate in the Agricultural Utilization  
9.26 Research Institute's bioenergy roundtable and  
9.27 no later than February 1, 2009, must report  
9.28 to the house and senate committees with  
9.29 jurisdiction over agriculture finance. This is  
9.30 a onetime appropriation and is available until  
9.31 spent.

9.32 \$200,000 the first year is for a grant to  
9.33 the White Earth Band of Chippewa for a  
9.34 feasibility study of a renewable energy  
9.35 biofuels production, research, and production  
9.36 facility on the White Earth Reservation in

10.1 Mahnomen County. The grant must be used  
10.2 by the White Earth Band and the University  
10.3 of Minnesota to conduct a detailed feasibility  
10.4 study of the economic and technical viability  
10.5 of (1) developing a multistream renewable  
10.6 energy biofuels demonstration facility on  
10.7 White Earth Reservation land to utilize  
10.8 existing forest resources, woody biomass,  
10.9 and cellulosic material to produce biofuels or  
10.10 bioenergy, and (2) developing, harvesting,  
10.11 and marketing native prairie plants and seeds  
10.12 for bioenergy production. The grant recipient  
10.13 must actively participate in the Agricultural  
10.14 Utilization Research Institute's bioenergy  
10.15 roundtable and no later than February 1,  
10.16 2009, must report to the house and senate  
10.17 committees with jurisdiction over agriculture  
10.18 finance. This is a onetime appropriation and  
10.19 is available until spent.

10.20 \$200,000 the first year is for a grant to the Elk  
10.21 River Economic Development Authority for  
10.22 upfront engineering and a feasibility study  
10.23 of the Elk River renewable fuels facility.  
10.24 The facility must use a plasma gasification  
10.25 process to convert primarily cellulosic  
10.26 material, but may also use plastics and other  
10.27 components from municipal solid waste, as  
10.28 feedstock for the production of methanol  
10.29 for use in biodiesel production facilities.  
10.30 Any unencumbered balance in fiscal year  
10.31 2008 does not cancel but is available for  
10.32 fiscal year 2009. Notwithstanding Minnesota  
10.33 Statutes, section 16A.285, the agency must  
10.34 not transfer this appropriation. The grant  
10.35 recipient must actively participate in the  
10.36 Agricultural Utilization Research Institute's

11.1 bioenergy roundtable and no later than  
11.2 February 1, 2009, must report to the house  
11.3 and senate committees with jurisdiction  
11.4 over agriculture finance. This is a onetime  
11.5 appropriation and is available until spent.  
11.6 \$200,000 the first year is for a grant to  
11.7 Chisago County to conduct a detailed  
11.8 feasibility study of the economic and  
11.9 technical viability of developing a  
11.10 multistream renewable energy biofuels  
11.11 demonstration facility in Chisago, Isanti,  
11.12 or Pine County to utilize existing forest  
11.13 resources, woody biomass, and cellulosic  
11.14 material to produce biofuels or bioenergy.  
11.15 Chisago County may expend funds to Isanti  
11.16 and Pine Counties and the University of  
11.17 Minnesota for any costs incurred as part  
11.18 of the study. The feasibility study must  
11.19 consider the capacity of: (1) the seed bank  
11.20 at Wild River State Park to expand the  
11.21 existing prairie grass, woody biomass, and  
11.22 cellulosic material resources in Chisago,  
11.23 Isanti, and Pine Counties; (2) willing and  
11.24 interested landowners in Chisago, Isanti, and  
11.25 Pine Counties to grow cellulosic materials;  
11.26 and (3) the Minnesota Conservation Corps,  
11.27 the sentence to serve program, and other  
11.28 existing workforce programs in east central  
11.29 Minnesota to contribute labor to these  
11.30 efforts. The grant recipient must actively  
11.31 participate in the Agricultural Utilization  
11.32 Research Institute's bioenergy roundtable and  
11.33 no later than February 1, 2009, must report  
11.34 to the house and senate committees with  
11.35 jurisdiction over agriculture finance. This is

12.1 a onetime appropriation and is available until  
12.2 spent.

12.3 **Subd. 5. Administration and Financial**  
12.4 **Assistance**

6,667,000

7,509,000

12.5 \$1,005,000 the first year and \$1,005,000  
12.6 the second year are for continuation of  
12.7 the dairy development and profitability  
12.8 enhancement and dairy business planning  
12.9 grant programs established under Laws  
12.10 1997, chapter 216, section 7, subdivision  
12.11 2, and Laws 2001, First Special Session  
12.12 chapter 2, section 9, subdivision 2, and to  
12.13 administer a dairy investment tax credit  
12.14 program. The commissioner may allocate  
12.15 the available sums among permissible  
12.16 activities, including efforts to improve the  
12.17 quality of milk produced in the state in the  
12.18 proportions that the commissioner deems  
12.19 most beneficial to Minnesota's dairy farmers.

12.20 The commissioner must submit a work plan  
12.21 detailing plans for expenditures under this  
12.22 program to the chairs of the house and senate  
12.23 committees dealing with agricultural policy  
12.24 and budget on or before the start of each  
12.25 fiscal year. If significant changes are made  
12.26 to the plans in the course of the year, the  
12.27 commissioner must notify the chairs.

12.28 \$50,000 the first year and \$50,000 the second  
12.29 year are for grants to the Northern Crops  
12.30 Institute. No later than February 1, 2009,  
12.31 the grant recipient must report to the house  
12.32 and senate committees with jurisdiction over  
12.33 agriculture finance. The appropriation may  
12.34 be spent to purchase equipment.

12.35 \$19,000 the first year and \$19,000 the second  
12.36 year are for grants to the Minnesota Livestock

13.1 Breeders Association. No later than February  
13.2 1, 2009, the grant recipient must report  
13.3 to the house and senate committees with  
13.4 jurisdiction over agriculture finance.

13.5 \$250,000 the first year and \$250,000 the  
13.6 second year are for grants to the Minnesota  
13.7 Agricultural Education Leadership Council  
13.8 for programs of the council under Minnesota  
13.9 Statutes, chapter 41D. No later than February  
13.10 1, 2009, the grant recipient must report  
13.11 to the house and senate committees with  
13.12 jurisdiction over agriculture finance.

13.13 \$800,000 the second year is for grants  
13.14 for fertilizer research as awarded by the  
13.15 Minnesota Agricultural Fertilizer Research  
13.16 and Education Council under Minnesota  
13.17 Statutes, section 18C.71. No later than  
13.18 February 1, 2009, the commissioner shall  
13.19 report to the house and senate committees  
13.20 with jurisdiction over agriculture finance.

13.21 The report must include the progress and  
13.22 outcome of funded projects as well as the  
13.23 sentiment of the council concerning the need  
13.24 for additional research funded through an  
13.25 industry checkoff fee.

13.26 \$466,000 the first year and \$466,000  
13.27 the second year are for aid payments to  
13.28 county and district agricultural societies  
13.29 and associations under Minnesota Statutes,  
13.30 section 38.02, subdivision 1, and shall be  
13.31 disbursed not later than July 15. These  
13.32 payments are the amount of aid owed by the  
13.33 state for an annual fair held in the previous  
13.34 calendar year.

14.1 \$65,000 the first year and \$65,000 the second  
14.2 year are for annual grants to the Northern  
14.3 Minnesota Forage-Turf Seed Advisory  
14.4 Committee for basic and applied research on  
14.5 the improved production of forage and turf  
14.6 seed related to new and improved varieties.  
14.7 The grant recipient may subcontract with a  
14.8 qualified third party for some or all of the  
14.9 basic and applied research. No later than  
14.10 February 1, 2009, the grant recipient must  
14.11 report to the house and senate committees  
14.12 with jurisdiction over agriculture finance.  
14.13 \$500,000 the first year and \$500,000 the  
14.14 second year are for grants to Second Harvest  
14.15 Heartland on behalf of Minnesota's six  
14.16 Second Harvest food banks for the purchase  
14.17 of milk for distribution to Minnesota's food  
14.18 shelves and other charitable organizations  
14.19 that are eligible to receive food from the food  
14.20 banks. Milk purchased under the grants must  
14.21 be acquired from Minnesota milk processors  
14.22 and based on low-cost bids. The milk must be  
14.23 allocated to each Second Harvest food bank  
14.24 serving Minnesota according to the formula  
14.25 used in the distribution of United States  
14.26 Department of Agriculture commodities  
14.27 under the Emergency Food Assistance  
14.28 Program (TEFAP). Second Harvest  
14.29 Heartland must submit quarterly reports to  
14.30 the commissioner on forms prescribed by  
14.31 the commissioner. The reports must include,  
14.32 but are not limited to, information on the  
14.33 expenditure of funds, the amount of milk  
14.34 purchased, and the organizations to which  
14.35 the milk was distributed. No later than  
14.36 February 1, 2009, the commissioner must

15.1 report to the house and senate committees  
15.2 with jurisdiction over agriculture finance.  
15.3 Second Harvest Heartland may enter into  
15.4 contracts or agreements with food banks  
15.5 for shared funding or reimbursement of the  
15.6 direct purchase of milk. Each food bank  
15.7 receiving money from this appropriation  
15.8 may use up to two percent of the grant for  
15.9 administrative expenses.  
  
15.10 \$100,000 the first year and \$100,000 the  
15.11 second year are for transfer to the Board of  
15.12 Trustees of the Minnesota State Colleges and  
15.13 Universities for mental health counseling  
15.14 support to farm families and business  
15.15 operators through farm business management  
15.16 programs at Central Lakes College and  
15.17 Ridgewater College. No later than February  
15.18 1, 2009, the Board of Trustees must report  
15.19 to the house and senate committees with  
15.20 jurisdiction over agriculture finance.  
  
15.21 \$18,000 the first year and \$18,000 the  
15.22 second year are for grants to the Minnesota  
15.23 Horticultural Society. No later than February  
15.24 1, 2009, the grant recipient must report  
15.25 to the house and senate committees with  
15.26 jurisdiction over agriculture finance.  
  
15.27 **Sec. 4. BOARD OF ANIMAL HEALTH**  
15.28 \$408,000 the first year and \$408,000 the  
15.29 second year are for bovine tuberculosis  
15.30 eradication and surveillance in cattle herds.  
15.31 Of this amount, \$159,000 is permanent.  
15.32 \$100,000 the first year is for reimbursements  
15.33 under Minnesota Statutes, section 35.085.  
15.34 This appropriation is available until spent.

	<b><u>\$</u></b>	<b><u>3,512,000</u></b>	<b><u>\$</u></b>	<b><u>3,456,000</u></b>
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16.1 **Sec. 5. AGRICULTURAL UTILIZATION**  
 16.2 **RESEARCH INSTITUTE** **\$ 4,000,000 \$ 4,000,000**

16.3 From the appropriation in both years, the  
 16.4 Agricultural Utilization Research Institute  
 16.5 must continue to monitor and coordinate  
 16.6 renewable energy efforts and opportunities  
 16.7 in the state via the bioenergy roundtable,  
 16.8 the Center for Producer-Owned Energy,  
 16.9 and related initiatives. In addition, as part  
 16.10 of the bioenergy roundtable, the institute  
 16.11 shall convene a Bioenergy Advisory  
 16.12 Committee consisting of, but not limited  
 16.13 to, representatives of the state's agriculture,  
 16.14 natural resources, forestry, and rural  
 16.15 economic development communities and  
 16.16 shall present this group's viewpoints as part  
 16.17 of the institute's participation in the NextGen  
 16.18 Energy Board created in Minnesota Statutes,  
 16.19 section 41A.10.

16.20 **Sec. 6. VETERANS AFFAIRS** **\$ 14,447,000 \$ 13,682,000**

16.21	<u>Appropriations by Fund</u>	
16.22	<u>2008</u>	<u>2009</u>
16.23	<u>General</u>	<u>14,109,000</u> <u>13,344,000</u>
16.24	<u>Special Revenue</u>	<u>338,000</u> <u>338,000</u>

16.25 (a) \$1,000,000 each year is added to the base  
 16.26 for state soldier's assistance under Minnesota  
 16.27 Statutes, section 197.05.

16.28 (b) \$1,450,000 the first year and \$950,000  
 16.29 the second year are added to the base for  
 16.30 grants to counties under the terms of this  
 16.31 section. The commissioner shall issue a  
 16.32 request for proposals for grants to enhance  
 16.33 the benefits, programs, and services provided  
 16.34 to veterans. The request must specify that  
 16.35 priority will be given to proposals that meet

17.1 the programmatic goals established by the  
17.2 commissioner, including proposals that will:  
17.3 (1) provide the most effective outreach to  
17.4 veterans;  
17.5 (2) reintegrate combat veterans into society;  
17.6 (3) collaborate with other social service  
17.7 agencies, educational institutions, and other  
17.8 relevant community resources;  
17.9 (4) reduce homelessness among veterans;  
17.10 and  
17.11 (5) provide measurable outcomes.  
17.12 The commissioner may provide incentives  
17.13 to encourage, and may give priority to  
17.14 proposals that foster, regional collaboration  
17.15 for service delivery. The grants may be for a  
17.16 term of up to two years. The commissioner  
17.17 shall ensure that grants are made throughout  
17.18 all regions of the state and shall develop a  
17.19 description of best practices for the use of  
17.20 these grants. A county may not reduce its  
17.21 county veterans service officer budget by any  
17.22 amount received as a grant under this section.  
17.23 Grants made under this section are in addition  
17.24 to and not subject to the requirements for  
17.25 grants made under Minnesota Statutes,  
17.26 section 197.608. The Minnesota Association  
17.27 of County Veterans Service Officers may  
17.28 apply for grants under this section beginning  
17.29 July 1, 2007. Any balance remaining after  
17.30 the first year does not cancel and is available  
17.31 in the second year. This appropriation must  
17.32 be included in the appropriation base through  
17.33 fiscal year 2011.

- 18.1 (c) \$2,000,000 each year is for outreach to  
18.2 veterans. Of this amount, \$750,000 each  
18.3 year is for tribal veterans service offices;  
18.4 \$1,000,000 each year is for a grant to the  
18.5 Minnesota Assistance Council for Veterans;  
18.6 and \$250,000 each year is for veterans  
18.7 outreach programs.
- 18.8 (d) \$250,000 each year is added to the base  
18.9 for grants to Disabled American Veterans,  
18.10 Military Order of the Purple Heart, Veterans  
18.11 of Foreign Wars, Vietnam Veterans of  
18.12 America, and other congressionally chartered  
18.13 veterans service organizations designated by  
18.14 the commissioner.
- 18.15 (e) \$450,000 each year is for expansion of the  
18.16 higher education veterans assistance program  
18.17 established in Minnesota Statutes, section  
18.18 197.585. This is a onetime appropriation.
- 18.19 (f) \$100,000 each year is for information  
18.20 technology.
- 18.21 (g) \$75,000 each year is added to the base for  
18.22 operations at the Minnesota State Veterans  
18.23 Cemetery in Little Falls.
- 18.24 (h) \$500,000 each year is added to the base  
18.25 for administration of veterans programming.
- 18.26 (i) \$63,000 the first year and \$128,000  
18.27 the second year are for compensation  
18.28 adjustments for Department of Veterans  
18.29 Affairs agency personnel.
- 18.30 (j) \$100,000 each year is for compensation  
18.31 for honor guards at the funerals of veterans  
18.32 in accordance with the program established  
18.33 in Minnesota Statutes, section 197.231.

19.1 (k) \$26,000 each year is for spousal  
19.2 education benefits in accordance with  
19.3 Minnesota Statutes, section 197.75.

19.4 (l) \$500,000 each year is for providing  
19.5 health screening exams for depleted uranium  
19.6 in Minnesota veterans in accordance with  
19.7 Minnesota Statutes, section 197.08. This is a  
19.8 onetime appropriation.

19.9 (m) \$250,000 the first year is for grants to  
19.10 assist World War II veterans to attend the  
19.11 dedication of the Minnesota World War II  
19.12 Veterans Memorial on the Capitol Mall,  
19.13 June 9, 2007. The commissioner may spend  
19.14 only that portion of this sum for which a  
19.15 matching amount, whether in cash or in  
19.16 kind, is donated by nongovernmental sources  
19.17 for this purpose. The commissioner may  
19.18 borrow from the general fund in advance  
19.19 of this appropriation in order to meet the  
19.20 deadline for this event. This is a onetime  
19.21 appropriation.

19.22 (n) \$80,000 the first year is for suicide  
19.23 prevention and psychological support for  
19.24 veterans. Of this amount, \$50,000 is for a  
19.25 study by the commissioner and the adjutant  
19.26 general of the psychological status and  
19.27 needs of returning Minnesota veterans,  
19.28 and \$30,000 is for a telephone hotline to  
19.29 refer veterans to available psychological  
19.30 counseling services. The commissioner  
19.31 may use this appropriation to supplement  
19.32 an existing informational hotline service  
19.33 within the department, or may collaborate  
19.34 with any other provider of compatible,  
19.35 existing hotline services for this purpose.

20.1 The referral hotline must be available to  
20.2 veterans statewide at all practicable hours.  
20.3 The commissioner must broadly publicize  
20.4 the availability of the telephone hotline  
20.5 and any local, state, and federal counseling  
20.6 services for Minnesota veterans using all  
20.7 practicable means available, including but  
20.8 not limited to: the agency Web site; local  
20.9 media announcements; announcements in  
20.10 service and trade publications; and any other  
20.11 practical means of communication.

20.12 The commissioner may spend up to two  
20.13 percent of this appropriation for development  
20.14 of special informational materials, such  
20.15 as refrigerator magnets, wallet cards, and  
20.16 other devices on which hotline numbers  
20.17 may be kept for immediate use. The  
20.18 commissioner also may accept and spend  
20.19 other contributions from nongovernmental  
20.20 sources for this purpose. This is a onetime  
20.21 appropriation.

20.22 (o) \$338,000 each year is from the account  
20.23 in the special revenue fund established in  
20.24 Minnesota Statutes, section 190.19, for (1)  
20.25 grants to veterans service organizations; and  
20.26 (2) outreach to underserved veterans. Any  
20.27 balance in the first year does not cancel and  
20.28 is available in the second year.

20.29 **ARTICLE 2**

20.30 **AGRICULTURE POLICY**

20.31 Section 1. Minnesota Statutes 2006, section 3.737, subdivision 1, is amended to read:

20.32 Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736,  
20.33 subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated  
20.34 by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is

21.1 so crippled by a gray wolf that it must be destroyed. ~~The~~ Except as provided in this  
21.2 section, the owner is entitled to the fair market value of the destroyed livestock as  
21.3 determined by the commissioner, upon recommendation of a university extension agent  
21.4 or a conservation officer. In any fiscal year, a livestock owner may not be compensated  
21.5 for a destroyed animal claim that is less than \$100 in value and may be compensated up  
21.6 to \$20,000, as determined under this section. In any fiscal year, the commissioner may  
21.7 provide compensation for claims filed under this section and section 3.7371 up to a total  
21.8 of \$100,000 for both programs combined.

21.9 (b) Either the agent or the conservation officer must make a personal inspection of  
21.10 the site. The agent or the conservation officer must take into account factors in addition to  
21.11 a visual identification of a carcass when making a recommendation to the commissioner.  
21.12 The commissioner, upon recommendation of the agent or conservation officer, shall  
21.13 determine whether the livestock was destroyed by a gray wolf and any deficiencies in the  
21.14 owner's adoption of the best management practices developed in subdivision 5. The  
21.15 commissioner may authorize payment of claims only if the agent or the conservation  
21.16 officer has recommended payment. The owner shall file a claim on forms provided by the  
21.17 commissioner and available at the university extension agent's office.

21.18 Sec. 2. Minnesota Statutes 2006, section 3.7371, subdivision 3, is amended to read:

21.19 Subd. 3. **Compensation.** The crop owner is entitled to the target price or the  
21.20 market price, whichever is greater, of the damaged or destroyed crop plus adjustments  
21.21 for yield loss determined according to agricultural stabilization and conservation service  
21.22 programs for individual farms, adjusted annually, as determined by the commissioner,  
21.23 upon recommendation of the county extension agent for the owner's county. The  
21.24 commissioner, upon recommendation of the agent, shall determine whether the crop  
21.25 damage or destruction is caused by elk and, if so, the amount of the crop that is damaged  
21.26 or destroyed. In any ~~calendar~~ fiscal year, a crop owner may not be compensated for a  
21.27 damaged or destroyed crop that is less than \$100 in value and may be compensated up to  
21.28 \$20,000, as determined under this section, if normal harvest procedures for the area are  
21.29 followed. In any fiscal year, the commissioner may provide compensation for claims filed  
21.30 under this section and section 3.737 up to a total of \$100,000 for both programs combined.

21.31 Sec. 3. Minnesota Statutes 2006, section 17.03, subdivision 3, is amended to read:

21.32 Subd. 3. **Cooperation with federal agencies.** (a) The commissioner shall cooperate  
21.33 with the government of the United States, with financial agencies created to assist in the  
21.34 development of the agricultural resources of this state, and so far as practicable may use

22.1 the facilities provided by the existing state departments and the various state and local  
22.2 organizations. This subdivision is intended to relate to every function and duty which  
22.3 devolves upon the commissioner.

22.4 (b) The commissioner may apply for, receive, and disburse federal funds made  
22.5 available to the state by federal law or regulation for any purpose related to the powers  
22.6 and duties of the commissioner. All money received by the commissioner under this  
22.7 paragraph shall be deposited in the state treasury and is appropriated to the commissioner  
22.8 for the purposes for which it was received. Money received under this paragraph does not  
22.9 cancel and is available for expenditure according to federal law. The commissioner may  
22.10 contract with and enter into grant agreements with persons, organizations, educational  
22.11 institutions, firms, corporations, other state agencies, and any agency or instrumentality of  
22.12 the federal government to carry out agreements made with the federal government relating  
22.13 to the expenditure of money under this paragraph. Bid requirements under chapter 16C do  
22.14 not apply to contracts under this paragraph.

22.15 Sec. 4. Minnesota Statutes 2006, section 17.101, subdivision 2, is amended to read:

22.16 Subd. 2. **Agricultural development grants and contracts.** In order to carry out  
22.17 the duties in subdivision 1, the commissioner, in addition to whatever other resources  
22.18 the department may commit, shall make grants and enter into contracts to fulfill the  
22.19 obligations of subdivision 1. The commissioner may enter into partnerships or seek gifts to  
22.20 carry out subdivision 1. The commissioner may contract with, among others, agricultural  
22.21 commodity organizations, the University of Minnesota, and agriculture related businesses  
22.22 to fulfill the duties. The commissioner shall make permanent rules for the administration  
22.23 of these grants and contracts. The rules shall specify at a minimum:

- 22.24 (a) eligibility criteria;
- 22.25 (b) application procedures;
- 22.26 (c) provisions for application review and project approval;
- 22.27 (d) provisions for program monitoring and review for all approved grants and  
22.28 contracts; and
- 22.29 (e) other provisions the commissioner finds necessary.

22.30 Contracts entered into by the commissioner pursuant to this subdivision shall not  
22.31 exceed 75 percent of the cost of the project supported by the commissioner's grant. In  
22.32 any ~~biennium~~ year, no organization shall receive more than \$70,000 in grants from the  
22.33 commissioner.

22.34 Sec. 5. Minnesota Statutes 2006, section 17.102, subdivision 1, is amended to read:

23.1 Subdivision 1. **Establishment and use of label.** (a) The commissioner shall  
23.2 establish a "Minnesota grown" logo or labeling statement for use in identifying  
23.3 agricultural products that are grown, raised, processed, or manufactured in this state.  
23.4 The commissioner may develop labeling statements that apply to specific marketing or  
23.5 promotional needs. One version of a labeling statement must identify food products  
23.6 certified as organically grown in this state. The Minnesota grown logo or labeling  
23.7 statement may be used on ~~raw agricultural~~ products only if 80 percent or more of the  
23.8 agricultural product is produced in this state.

23.9 (b) The Minnesota grown logo or labeling statement may not be used without  
23.10 a license from the commissioner except that wholesalers and retailers may use the  
23.11 Minnesota grown logo and labeling statement for displaying and advertising products that  
23.12 qualify for use of the Minnesota grown logo or labeling statement.

23.13 Sec. 6. Minnesota Statutes 2006, section 17.102, subdivision 3, is amended to read:

23.14 Subd. 3. **License.** A person may not use the Minnesota grown logo or labeling  
23.15 without an annual license from the commissioner. The commissioner shall issue licenses  
23.16 for a fee of ~~\$5~~ \$20.

23.17 Sec. 7. Minnesota Statutes 2006, section 17.102, subdivision 4, is amended to read:

23.18 Subd. 4. **Minnesota grown account.** The Minnesota grown account is established  
23.19 as an account in the agricultural fund. License fee receipts and penalties collected under  
23.20 this section must be deposited in the agricultural fund and credited to the Minnesota grown  
23.21 account. The money in the account is continuously appropriated to the commissioner ~~to~~  
23.22 ~~implement and enforce this section and to promote the Minnesota grown logo and labeling~~  
23.23 for the direct costs of implementing the Minnesota grown program.

23.24 Sec. 8. Minnesota Statutes 2006, section 17.102, is amended by adding a subdivision  
23.25 to read:

23.26 Subd. 4a. **Funding sources.** The Minnesota grown account shall consist of  
23.27 license fees, penalties, advertising revenue, revenue from the development and sale of  
23.28 promotional materials, gifts, and appropriations.

23.29 Sec. 9. Minnesota Statutes 2006, section 17.102, is amended by adding a subdivision  
23.30 to read:

23.31 Subd. 4b. **Appropriations must be matched by private funds.** Appropriations  
23.32 from the Minnesota grown account may be expended only to the extent that they are

24.1 matched with contributions to the account from private sources on a basis of at least \$1  
24.2 of private contributions to each \$4 of state money. For the purposes of this subdivision,  
24.3 "private contributions" includes, but is not limited to, license fees, penalties, advertising  
24.4 revenue, revenue from the development and sale of promotional materials, and gifts.

24.5 Sec. 10. Minnesota Statutes 2006, section 17.117, subdivision 1, is amended to read:

24.6 Subdivision 1. **Purpose.** The purpose of the agriculture best management practices  
24.7 loan program is to provide low or no interest financing to farmers, agriculture supply  
24.8 businesses, ~~and~~ rural landowners, and water-quality cooperatives for the implementation  
24.9 of agriculture and other best management practices that reduce environmental pollution.

24.10 Sec. 11. Minnesota Statutes 2006, section 17.117, subdivision 4, is amended to read:

24.11 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this  
24.12 subdivision have the meanings given them.

24.13 (b) "Agricultural and environmental revolving accounts" means accounts in the  
24.14 agricultural fund, controlled by the commissioner, which hold funds available to the  
24.15 program.

24.16 (c) "Agriculture supply business" means a person, partnership, joint venture,  
24.17 corporation, limited liability company, association, firm, public service company,  
24.18 or cooperative that provides materials, equipment, or services to farmers or  
24.19 agriculture-related enterprises.

24.20 (d) "Allocation" means the funds awarded to an applicant for implementation of best  
24.21 management practices through a competitive or noncompetitive application process.

24.22 (e) "Applicant" means a local unit of government eligible to participate in this  
24.23 program that requests an allocation of funds as provided in subdivision 6b.

24.24 (f) "Best management practices" has the meaning given in sections 103F.711,  
24.25 subdivision 3, and 103H.151, subdivision 2, or other practices, techniques, and measures  
24.26 that have been demonstrated to the satisfaction of the commissioner to prevent or reduce  
24.27 adverse environmental impacts by using the most effective and practicable means of  
24.28 achieving environmental goals.

24.29 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner  
24.30 applying for a low-interest loan.

24.31 (h) "Commissioner" means the commissioner of agriculture, including when the  
24.32 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the  
24.33 designee of the commissioner.

25.1 (i) "Committed project" means an eligible project scheduled to be implemented at  
25.2 a future date:

25.3 (1) that has been approved and certified by the local government unit; and

25.4 (2) for which a local lender has obligated itself to offer a loan.

25.5 (j) "Comprehensive water management plan" means a state approved and locally  
25.6 adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331,  
25.7 103D.401, or 103D.405.

25.8 (k) "Cost incurred" means expenses for implementation of a project accrued because  
25.9 the borrower has agreed to purchase equipment or is obligated to pay for services or  
25.10 materials already provided as a result of implementing ~~a prior~~ an approved eligible project.

25.11 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability  
25.12 company, association, firm, public service company, or cooperative that regularly  
25.13 participates in physical labor or operations management of farming and files a Schedule F  
25.14 as part of filing United States Internal Revenue Service Form 1040 or indicates farming as  
25.15 the primary business activity under Schedule C, K, or S, or any other applicable report to  
25.16 the United States Internal Revenue Service.

25.17 (m) "Lender agreement" means an agreement entered into between the commissioner  
25.18 and a local lender which contains terms and conditions of participation in the program.

25.19 (n) "Local government unit" means a county, soil and water conservation district,  
25.20 or an organization formed for the joint exercise of powers under section 471.59 with  
25.21 the authority to participate in the program.

25.22 (o) "Local lender" means a local government unit as defined in paragraph (n), a state  
25.23 or federally chartered bank, a savings association, a state or federal credit union, Agribank  
25.24 and its affiliated organizations, or a nonprofit economic development organization or other  
25.25 financial lending institution approved by the commissioner.

25.26 (p) "Local revolving loan account" means the account held by a local government  
25.27 unit and a local lender into which principal repayments from borrowers are deposited and  
25.28 new loans are issued in accordance with the requirements of the program and lender  
25.29 agreements.

25.30 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

25.31 (r) "Program" means the agriculture best management practices loan program  
25.32 in this section.

25.33 (s) "Project" means one or more components or activities located within Minnesota  
25.34 that are required by the local government unit to be implemented for satisfactory  
25.35 completion of an eligible best management practice.

26.1 (t) "Rural landowner" means the owner of record of Minnesota real estate located  
26.2 in an area determined by the local government unit to be rural after consideration of  
26.3 local land use patterns, zoning regulations, jurisdictional boundaries, local community  
26.4 definitions, historical uses, and other pertinent local factors.

26.5 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph  
26.6 (d), except as expressly limited in this section.

26.7 Sec. 12. Minnesota Statutes 2006, section 17.117, subdivision 5a, is amended to read:

26.8 Subd. 5a. **Agricultural and environmental revolving accounts.** (a) There  
26.9 shall be established in the ~~agricultural~~ special revenue fund revolving accounts to  
26.10 receive appropriations, transfers of the balances from previous appropriations for the  
26.11 activities under this section, and money from other sources. All balances from previous  
26.12 appropriations for activities under this section and repayments of loans granted under this  
26.13 section, including principal and interest, must be deposited into the appropriate revolving  
26.14 account created in this subdivision or the account created in subdivision 13. Interest  
26.15 earned in an account accrues to that account.

26.16 (b) The money in the revolving accounts and the account created in subdivision 13 is  
26.17 appropriated to the commissioner for the purposes of this section.

26.18 Sec. 13. Minnesota Statutes 2006, section 17.117, subdivision 5b, is amended to read:

26.19 Subd. 5b. **Application fee.** The commissioner may impose a nonrefundable  
26.20 application fee of \$50 for each loan issued under the program. The fees must be credited  
26.21 to the agricultural best management practices administration account, which is hereby  
26.22 established in the ~~agricultural~~ special revenue fund. Interest earned in the account accrues  
26.23 to the account. Money in the account and interest earned in the accounts established  
26.24 in the agricultural fund under subdivision 5a are appropriated to the commissioner for  
26.25 administrative expenses of the program.

26.26 Sec. 14. Minnesota Statutes 2006, section 17.117, subdivision 11, is amended to read:

26.27 Subd. 11. **Loans issued to borrower.** (a) Local lenders may issue loans only for  
26.28 projects that are approved and certified by the local government unit as meeting priority  
26.29 needs identified in a comprehensive water management plan or other local planning  
26.30 documents, are in compliance with accepted practices, standards, specifications, or  
26.31 criteria, and are eligible for financing under Environmental Protection Agency or other  
26.32 applicable guidelines.

27.1 (b) The local lender may use any additional criteria considered necessary to  
27.2 determine the eligibility of borrowers for loans.

27.3 (c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

27.4 (1) no loan to a borrower may exceed ~~\$50,000~~ \$100,000;

27.5 (2) no loan for a project may exceed ~~\$50,000~~ \$100,000; and

27.6 (3) no borrower shall, at any time, have multiple loans from this program with a total  
27.7 outstanding loan balance of more than ~~\$50,000~~ \$100,000.

27.8 (d) ~~The maximum term length for conservation tillage projects is five years.~~ The  
27.9 maximum term length for ~~other~~ projects in this paragraph is ten years.

27.10 (e) ~~Notwithstanding paragraph (c), a local lender may issue a loan of up to \$100,000~~  
27.11 ~~for a community sewage treatment system serving two or more households.~~

27.12 (f) (e) Fees charged at the time of closing must:

27.13 (1) be in compliance with normal and customary practices of the local lender;

27.14 (2) be in accordance with published fee schedules issued by the local lender;

27.15 (3) not be based on participation program; and

27.16 (4) be consistent with fees charged other similar types of loans offered by the local  
27.17 lender.

27.18 (g) (f) The interest rate assessed to an outstanding loan balance by the local lender  
27.19 must not exceed three percent per year.

27.20 Sec. 15. Minnesota Statutes 2006, section 17.982, subdivision 1, is amended to read:

27.21 Subdivision 1. **Criminal penalties.** A person who violates a provision of chapter  
27.22 25, 28A, 29, 31, 31A, 31B, or 34 for which a penalty has not been prescribed is guilty  
27.23 of a misdemeanor.

27.24 Sec. 16. Minnesota Statutes 2006, section 17.983, subdivision 1, is amended to read:

27.25 Subdivision 1. **Administrative penalties; citation.** If a person has violated a  
27.26 provision of chapter 25, 28A, 29, 31, 31A, 31B, 32, or 34, the commissioner may issue a  
27.27 written citation to the person by personal service or by certified mail. The citation must  
27.28 describe the nature of the violation and the statute or rule alleged to have been violated;  
27.29 state the time for correction, if applicable; and the amount of any proposed fine. The  
27.30 citation must advise the person to notify the commissioner in writing within 30 days if the  
27.31 person wishes to appeal the citation. If the person fails to appeal the citation, the citation  
27.32 is the final order and not subject to further review.

28.1 Sec. 17. Minnesota Statutes 2006, section 17B.03, is amended by adding a subdivision  
28.2 to read:

28.3 Subd. 4. **Port of Duluth.** The commissioner shall provide official services for  
28.4 grain for export from the Port of Duluth, including inspection, weighing, supervision of  
28.5 weights, and related services. The commissioner shall maintain and, when required, renew  
28.6 delegated authority from the United States Department of Agriculture as required by  
28.7 federal law to provide official export grain inspection services.

28.8 Sec. 18. Minnesota Statutes 2006, section 18B.065, subdivision 1, is amended to read:

28.9 Subdivision 1. **Collection and disposal.** The commissioner of agriculture shall  
28.10 establish and operate a program to collect waste pesticides. The program ~~shall~~ must be  
28.11 made available to agriculture and residential pesticide end users whose waste generating  
28.12 activity occurs in this state.

28.13 **EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to all  
28.14 cooperative agreements entered into by the commissioner of agriculture and local units of  
28.15 government for waste pesticide collection and disposal after that date.

28.16 Sec. 19. Minnesota Statutes 2006, section 18B.065, subdivision 2a, is amended to read:

28.17 Subd. 2a. **Disposal site requirement.** The commissioner must designate a place  
28.18 in each county of the state that is available at least every other year ~~for the residents of~~  
28.19 ~~each county in the state~~ persons to dispose of unused portions of pesticides in accordance  
28.20 with subdivision 1. The commissioner shall consult with the person responsible for solid  
28.21 waste management and disposal in each county to determine an appropriate location.

28.22 **EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to all  
28.23 cooperative agreements entered into by the commissioner of agriculture and local units of  
28.24 government for waste pesticide collection and disposal after that date.

28.25 Sec. 20. Minnesota Statutes 2006, section 18B.26, subdivision 3, is amended to read:

28.26 Subd. 3. **Application fee.** (a) A registrant shall pay an annual application fee for  
28.27 each pesticide to be registered, and this fee is set at 0.4 percent of annual gross sales  
28.28 within the state and annual gross sales of pesticides used in the state, with a minimum  
28.29 nonrefundable fee of \$250. The registrant shall determine when and which pesticides  
28.30 are sold or used in this state. The registrant shall secure sufficient sales information of  
28.31 pesticides distributed into this state from distributors and dealers, regardless of distributor  
28.32 location, to make a determination. Sales of pesticides in this state and sales of pesticides

29.1 for use in this state by out-of-state distributors are not exempt and must be included in the  
 29.2 registrant's annual report, as required under paragraph (c), and fees shall be paid by the  
 29.3 registrant based upon those reported sales. Sales of pesticides in the state for use outside  
 29.4 of the state are exempt from the application fee in this paragraph if the registrant properly  
 29.5 documents the sale location and distributors. A registrant paying more than the minimum  
 29.6 fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the  
 29.7 registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be  
 29.8 the minimum. The minimum fee is due by December 31 preceding the year for which  
 29.9 the application for registration is made. The commissioner shall spend at least ~~\$300,000~~  
 29.10 \$400,000, not including the commissioner's administrative costs, per fiscal year from the  
 29.11 pesticide regulatory account for the purposes of the waste pesticide collection program.

29.12 (b) An additional fee of \$100 must be paid by the applicant for each pesticide to be  
 29.13 registered if the application is a renewal application that is submitted after December 31.

29.14 (c) A registrant must annually report to the commissioner the amount and type of  
 29.15 each registered pesticide sold, offered for sale, or otherwise distributed in the state. The  
 29.16 report shall be filed by March 1 for the previous year's registration. The commissioner  
 29.17 shall specify the form of the report and require additional information deemed necessary  
 29.18 to determine the amount and type of pesticides annually distributed in the state. The  
 29.19 information required shall include the brand name, amount, and formulation of each  
 29.20 pesticide sold, offered for sale, or otherwise distributed in the state, but the information  
 29.21 collected, if made public, shall be reported in a manner which does not identify a specific  
 29.22 brand name in the report.

29.23 (d) A registrant who is required to pay more than the minimum fee for any pesticide  
 29.24 under paragraph (a) must pay a late fee penalty of \$100 for each pesticide application fee  
 29.25 paid after March 1 in the year for which the license is to be issued.

29.26 **EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to all  
 29.27 cooperative agreements entered into by the commissioner of agriculture and local units of  
 29.28 government for waste pesticide collection and disposal after that date.

29.29 Sec. 21. Minnesota Statutes 2006, section 18B.33, subdivision 1, is amended to read:

29.30 Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire  
 29.31 without a commercial applicator license for the appropriate use categories or a structural  
 29.32 pest control license ~~or aquatic pest control license.~~

29.33 ~~(b) A person with a commercial applicator license may not apply pesticides on~~  
 29.34 ~~or into surface waters without an aquatic pest control license under section 18B.315;~~

30.1 ~~except an aquatic pest control license is not required for licensed commercial applicators~~  
30.2 ~~applying pesticides for the purposes of:~~

- 30.3 ~~(1) pest control on cultivated wild rice;~~
- 30.4 ~~(2) mosquito and black fly control operations;~~
- 30.5 ~~(3) pest control on rights-of-way;~~
- 30.6 ~~(4) aerial pest control operations for emergent vegetation control;~~
- 30.7 ~~(5) aerial application of piscicides; and~~
- 30.8 ~~(6) pest control for silvicultural operations.~~

30.9 ~~(e)~~ (b) A commercial applicator licensee must have a valid license identification card  
30.10 when applying pesticides for hire and must display it upon demand by an authorized  
30.11 representative of the commissioner or a law enforcement officer. The commissioner shall  
30.12 prescribe the information required on the license identification card.

30.13 Sec. 22. Minnesota Statutes 2006, section 18B.34, subdivision 1, is amended to read:

30.14 Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator,  
30.15 certified private applicator, ~~a licensed aquatic pest control applicator,~~ or licensed structural  
30.16 pest control applicator, a person, including a government employee, may not use a  
30.17 restricted use pesticide in performance of official duties without having a noncommercial  
30.18 applicator license for an appropriate use category.

30.19 ~~(b) A licensed noncommercial applicator may not apply pesticides into or on surface~~  
30.20 ~~waters without an aquatic pest control license, except an aquatic pest control license is not~~  
30.21 ~~required for licensed noncommercial applicators applying pesticides for the purposes of:~~

- 30.22 ~~(1) mosquito and black fly control operations;~~
- 30.23 ~~(2) pest control on rights-of-way;~~
- 30.24 ~~(3) pest control operations for purple loosestrife control;~~
- 30.25 ~~(4) application of piscicides; and~~
- 30.26 ~~(5) pest control for silvicultural operations.~~

30.27 ~~(e)~~ (b) A licensee must have a valid license identification card when applying  
30.28 pesticides and must display it upon demand by an authorized representative of the  
30.29 commissioner or a law enforcement officer. The license identification card must contain  
30.30 information required by the commissioner.

30.31 Sec. 23. Minnesota Statutes 2006, section 18B.345, is amended to read:

30.32 **18B.345 PESTICIDE APPLICATION ON GOLF COURSES.**

30.33 (a) Application of a pesticide to the property of a golf course must be performed by:

- 30.34 (1) a structural pest control applicator; or

31.1 (2) a commercial or noncommercial pesticide applicator with appropriate use  
31.2 certification; ~~or,~~

31.3 ~~(3) an aquatic pest control applicator.~~

31.4 (b) Pesticides determined by the commissioner to be sanitizers and disinfectants are  
31.5 exempt from the requirements in paragraph (a).

31.6 Sec. 24. Minnesota Statutes 2006, section 18C.305, is amended by adding a  
31.7 subdivision to read:

31.8 Subd. 3. **Exemption.** A permit and safeguard is not required for agricultural  
31.9 commodity producers who store, on their own property, for their own use, no more than  
31.10 6,000 gallons of liquid commercial fertilizer.

31.11 Sec. 25. **[18C.70] MINNESOTA AGRICULTURAL FERTILIZER RESEARCH**  
31.12 **AND EDUCATION COUNCIL.**

31.13 Subdivision 1. **Establishment; membership.** (a) The Minnesota Agricultural  
31.14 Fertilizer Research and Education Council is established. The council is composed of  
31.15 12 voting members as follows:

31.16 (1) two members of the Minnesota Crop Production Retailers;

31.17 (2) one member of the Minnesota Corn Growers Association;

31.18 (3) one member of the Minnesota Soybean Growers Association;

31.19 (4) one member of the sugar beet growers industry;

31.20 (5) one member of the Minnesota Association of Wheat Growers;

31.21 (6) one member of the potato growers industry;

31.22 (7) one member of the Minnesota Farm Bureau;

31.23 (8) one member of the Minnesota Farmers Union;

31.24 (9) one member from the Minnesota Irrigators Association;

31.25 (10) one member of the Minnesota Grain and Feed Association; and

31.26 (11) one member of the Minnesota Independent Crop Consultant Association or the  
31.27 Minnesota certified crop advisor program.

31.28 (b) Council members shall serve three-year terms. After the initial council is  
31.29 appointed, subsequent appointments must be staggered so that one-third of council  
31.30 membership is replaced each year. Council members must be nominated by their  
31.31 organizations and appointed by the commissioner. The council may add ex-officio  
31.32 members at its discretion. The council must meet at least once per year, with all  
31.33 related expenses reimbursed by members' sponsoring organizations or by the members  
31.34 themselves.

32.1 Subd. 2. **Powers and duties.** The council must review applications and select  
 32.2 projects to receive agricultural fertilizer research and education program grants, as  
 32.3 authorized in section 18C.71. The council must establish a program to provide grants to  
 32.4 research, education, and technology transfer projects related to agricultural fertilizer,  
 32.5 soil amendments, and plant amendments. For the purpose of this section, "fertilizer"  
 32.6 includes soil amendments and plant amendments, but does not include vegetable or animal  
 32.7 manures that are not manipulated. The commissioner has authority over all deposits to  
 32.8 and withdrawals from the program account authorized in subdivision 4, but after January  
 32.9 1, 2008, the council may select the commissioner or any other person it considers fit  
 32.10 to perform all other administrative duties related to the program. The commissioner  
 32.11 is responsible for all fiscal and administrative duties in the first year and may use up  
 32.12 to eight percent of program revenue to offset costs incurred. No later than October 1,  
 32.13 2007, the commissioner must provide the council with an estimate of the annual costs the  
 32.14 commissioner would incur in administering the program.

32.15 Subd. 3. **Checkoff fees.** The legislature, if requested by a formal order from the  
 32.16 council, may implement, administer, or discontinue a checkoff fee to provide funding  
 32.17 for grants under section 18C.71. During any period that a checkoff fee is in effect, any  
 32.18 person, whether in Minnesota or elsewhere, that sells fertilizer to producers must collect  
 32.19 a checkoff fee of 40 cents per ton of fertilizer sold and forward the checkoff funds at  
 32.20 least semiannually to the commissioner along with forms provided by the commissioner.  
 32.21 For the purposes of this section, "producer" means a person who owns or operates an  
 32.22 agricultural producing or growing facility for an agricultural commodity, shares in the  
 32.23 profits and risk of loss from the operation, and grows, raises, feeds, or produces the  
 32.24 agricultural commodity in Minnesota during the current or preceding calendar year.

32.25 Subd. 4. **Program account.** There is established in the state treasury an agricultural  
 32.26 fertilizer research and education program account in the agricultural fund. The checkoff  
 32.27 funds raised under this section must be deposited in the account. Money in the account,  
 32.28 including interest earned, is appropriated to the commissioner to carry out the program  
 32.29 and to provide refunds under subdivision 5.

32.30 Subd. 5. **Refunds.** A producer may, by use of forms provided by the commissioner  
 32.31 and upon presentation of proof the commissioner requires, have the checkoff fee refunded  
 32.32 if the checkoff fee was remitted on a timely basis. The producer must submit refund  
 32.33 requests to the commissioner by February 28 each year for checkoff fees paid in the  
 32.34 previous calendar year. For checkoff fees paid between January 1, 2008, and January 1,  
 32.35 2009, refunds must not be issued until January 15, 2009.

33.1 Subd. 6. **Rules.** The commissioner's duties under this section and section 18C.71  
33.2 are not subject to the provisions of chapter 14.

33.3 Subd. 7. **Expiration.** This section expires January 8, 2017.

33.4 **EFFECTIVE DATE.** This section is effective January 1, 2008.

33.5 Sec. 26. **[18C.71] MINNESOTA AGRICULTURAL FERTILIZER RESEARCH**  
33.6 **AND EDUCATION PROGRAM.**

33.7 Subdivision 1. **Eligible projects.** Eligible project activities include research,  
33.8 education, and technology transfer related to the production and application of fertilizer,  
33.9 soil amendments, and other plant amendments. Chosen projects must contain a component  
33.10 of outreach that achieves a timely dissemination of findings and their applicability to the  
33.11 production agricultural community.

33.12 Subd. 2. **Awarding grants.** Applications for program grants must be submitted in  
33.13 the form prescribed by the Minnesota Agricultural Fertilizer Research and Education  
33.14 Council. Applications must be submitted on or before the deadline prescribed by the  
33.15 council. All applications are subject to a thorough in-state review by a peer committee  
33.16 established and approved by the council. Each project meeting the basic qualifications is  
33.17 subject to a yes or no vote by each council member. Projects chosen to receive funding  
33.18 must achieve an affirmative vote from at least eight of the 12 council members or  
33.19 two-thirds of voting members present. Projects awarded program funds must submit an  
33.20 annual progress report in the form prescribed by the council.

33.21 Subd. 3. **Annual audit.** The program must have an annual audit of financial  
33.22 activities, which the council must file with the commissioner on or before June 1 for the  
33.23 immediately preceding year ending December 31.

33.24 Subd. 4. **Expiration.** This section expires January 8, 2017.

33.25 **EFFECTIVE DATE.** This section is effective January 1, 2008.

33.26 Sec. 27. Minnesota Statutes 2006, section 18E.02, subdivision 5, is amended to read:

33.27 Subd. 5. **Eligible person.** "Eligible person" means:

33.28 (1) a responsible party or an owner of real property, but does not include the state,  
33.29 a state agency, or a political subdivision of the state, except as provided in clause (2);  
33.30 common carriers, as defined by section 218.011, subdivision 10; motor carriers as defined  
33.31 by section 221.011, subdivision 15, while transporting agricultural chemicals except as  
33.32 provided in clause (3); or the federal government; or an agency of the federal government;

34.1 (2) the owners of municipal airports in Minnesota where a licensed aerial pesticide  
34.2 applicator has caused an incident through storage, handling, or distribution operations for  
34.3 agricultural chemicals if (i) the commissioner has determined that corrective action is  
34.4 necessary and (ii) the commissioner determines, and the Agricultural Chemical Response  
34.5 Compensation Board concurs, that based on an affirmative showing made by the owner, a  
34.6 responsible party cannot be identified or the identified responsible party is unable to  
34.7 comply with an order for corrective action; or

34.8 (3) a person involved in a transaction relating to real property who is not a responsible  
34.9 party or owner of the real property and who voluntarily takes corrective action on the  
34.10 property in response to a request or order for corrective action from the commissioner.

34.11 Sec. 28. Minnesota Statutes 2006, section 18E.02, is amended by adding a subdivision  
34.12 to read:

34.13 Subd. 7. **Incident.** "Incident" means a flood, fire, tornado, transportation accident,  
34.14 storage container rupture, leak, spill, emission discharge, escape, disposal, or other event  
34.15 that releases an agricultural chemical accidentally or otherwise into the environment and  
34.16 may cause unreasonable adverse effects on the environment. Incident does not include a  
34.17 release from the normal use of a product or practice in accordance with law.

34.18 Sec. 29. Minnesota Statutes 2006, section 18E.03, subdivision 4, is amended to read:

34.19 Subd. 4. **Fee.** (a) The response and reimbursement fee consists of the surcharges and  
34.20 any adjustments made by the commissioner in this subdivision and shall be collected by  
34.21 the commissioner. The amount of the response and reimbursement fee shall be determined  
34.22 and imposed annually by the commissioner as required to satisfy the requirements in  
34.23 subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in  
34.24 proportion to the amount of the surcharges listed in this subdivision. License application  
34.25 categories under paragraph (d) must be charged in proportion to the amount of surcharges  
34.26 imposed up to a maximum of 50 percent of the license fees set under chapters 18B and  
34.27 18C.

34.28 (b) The commissioner shall impose a surcharge on pesticides registered under  
34.29 chapter 18B to be collected as a surcharge on the registration application fee under  
34.30 section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the  
34.31 state and sales of pesticides for use in the state during the previous calendar year, except  
34.32 the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as  
34.33 determined by the commissioner. No surcharge is required if the surcharge amount based  
34.34 on percent of annual gross sales is less than \$10. The registrant shall determine when and

35.1 which pesticides are sold or used in this state. The registrant shall secure sufficient sales  
35.2 information of pesticides distributed into this state from distributors and dealers, regardless  
35.3 of distributor location, to make a determination. Sales of pesticides in this state and sales  
35.4 of pesticides for use in this state by out-of-state distributors are not exempt and must be  
35.5 included in the registrant's annual report, as required under section 18B.26, subdivision 3,  
35.6 paragraph (c), and fees shall be paid by the registrant based upon those reported sales.  
35.7 Sales of pesticides in the state for use outside of the state are exempt from the surcharge in  
35.8 this paragraph if the registrant properly documents the sale location and the distributors.

35.9 (c) The commissioner shall impose a ten cents per ton surcharge on the inspection  
35.10 fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant  
35.11 amendments.

35.12 (d) The commissioner shall impose a surcharge on the license application of persons  
35.13 licensed under chapters 18B and 18C consisting of:

35.14 (1) a \$75 surcharge for each site where pesticides are stored or distributed, to  
35.15 be imposed as a surcharge on pesticide dealer application fees under section 18B.31,  
35.16 subdivision 5;

35.17 (2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil  
35.18 amendment is distributed, to be imposed on persons licensed under sections 18C.415  
35.19 and 18C.425;

35.20 (3) a \$50 surcharge to be imposed on a structural pest control applicator license  
35.21 application under section 18B.32, subdivision 6, for business license applications only;

35.22 (4) a \$20 surcharge to be imposed on commercial applicator license application fees  
35.23 under section 18B.33, subdivision 7; and

35.24 (5) a \$20 surcharge to be imposed on noncommercial applicator license application  
35.25 fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a  
35.26 noncommercial applicator that is a state agency, political subdivision of the state, the  
35.27 federal government, or an agency of the federal government; ~~and.~~

35.28 ~~(6) a \$20 surcharge to be imposed on aquatic pest control licenses under section~~  
35.29 ~~18B.315.~~

35.30 (e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold  
35.31 for use outside of the state unless:

35.32 (1) the distributor properly documents that it has less than \$2,000,000 per year in  
35.33 wholesale value of pesticides stored and transferred through the site; or

35.34 (2) the registrant pays the surcharge under paragraph (b) and the registration fee  
35.35 under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for  
35.36 use outside of the state.

36.1 (f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for  
36.2 licenses, and inspection fees imposed on or after July 1, 1990.

36.3 Sec. 30. Minnesota Statutes 2006, section 28A.04, subdivision 1, is amended to read:

36.4 Subdivision 1. **Application; date of issuance.** (a) No person shall engage in the  
36.5 business of manufacturing, processing, selling, handling, or storing food without having  
36.6 first obtained from the commissioner a license for doing such business. Applications for  
36.7 such license shall be made to the commissioner in such manner and time as required  
36.8 and upon such forms as provided by the commissioner and shall contain the name and  
36.9 address of the applicant, address or description of each place of business, and the nature  
36.10 of the business to be conducted at each place, and such other pertinent information as  
36.11 the commissioner may require.

36.12 (b) A retail or wholesale food handler license shall be issued for the period July 1  
36.13 to June 30 following and shall be renewed thereafter by the licensee on or before July  
36.14 1 each year, except that:

36.15 (1) licenses for all mobile food concession units and retail mobile units ~~shall~~ must be  
36.16 issued for the period April 1 to March 31, and ~~shall~~ must be renewed thereafter by the  
36.17 licensee on or before April 1 each year; and

36.18 (2) a license issued for a temporary food concession stand must have a license  
36.19 issuance and renewal date consistent with appropriate statutory provisions.

36.20 A license for a food broker or for a food processor or manufacturer shall be issued for the  
36.21 period January 1 to December 31 following and shall be renewed thereafter by the licensee  
36.22 on or before January 1 of each year, except that a license for a wholesale food processor or  
36.23 manufacturer operating only at the state fair shall be issued for the period July 1 to June 30  
36.24 following and shall be renewed thereafter by the licensee on or before July 1 of each year.  
36.25 A penalty for a late renewal shall be assessed in accordance with section 28A.08.

36.26 (c) A person applying for a new license up to 14 calendar days before the effective  
36.27 date of the new license period under paragraph (b) must be issued a license for the 14 days  
36.28 and the next license year as a single license and pay a single license fee as if the 14 days  
36.29 were part of the upcoming license period.

36.30 Sec. 31. Minnesota Statutes 2006, section 28A.06, is amended to read:

36.31 **28A.06 EXTENT OF LICENSE.**

36.32 No person, except as described in sections 27.03 and 27.04, shall be required to  
36.33 hold more than one license in order to engage in any aspect of food handling described  
36.34 in section 28A.05 provided, that each issued license shall be valid for no more than one

37.1 place of business, except that a license for a mobile unit or a retail food vehicle, portable  
 37.2 structure, or cart is valid statewide and is required to be issued only once each year unless  
 37.3 the licensee fails to display the license as required by section 28A.07 or it is a seasonal  
 37.4 permanent food stand, seasonal temporary food stand, food cart, or special event food  
 37.5 stand as defined in section 157.15, in which case the duration of the license is restricted by  
 37.6 the limitations found in the definitions in section 157.15.

37.7 Sec. 32. Minnesota Statutes 2006, section 28A.082, subdivision 1, is amended to read:

37.8 Subdivision 1. **Fees; application.** The fees for review of food handler facility floor  
 37.9 plans under the Minnesota Food Code are based upon the square footage of the structure  
 37.10 being newly constructed, remodeled, or converted. The fees for the review shall be:

square footage	review fee
37.11 0 - 4,999 .....	37.11 \$ <del>156.25</del> <u>200.00</u>
37.12 5,000 - 24,999 ....	37.12 \$ <del>218.75</del> <u>275.00</u>
37.13 25,000 plus.....	37.13 \$ <del>343.75</del> <u>425.00</u>

37.14 The applicant must submit the required fee, review application, plans, equipment  
 37.15 specifications, materials lists, and other required information on forms supplied by the  
 37.16 department at least 30 days prior to commencement of construction, remodeling, or  
 37.17 conversion.  
 37.18

37.19 Sec. 33. **[28A.21] FOOD SAFETY AND DEFENSE TASK FORCE.**

37.20 Subdivision 1. **Establishment.** The Food Safety and Defense Task Force is  
 37.21 established to advise the commissioner and the legislature on food issues and food safety.

37.22 Subd. 2. **Membership.** (a) The Food Safety and Defense Task Force consists of:

- 37.23 (1) the commissioner of agriculture or the commissioner's designee;
- 37.24 (2) the commissioner of health or the commissioner's designee;
- 37.25 (3) a representative of the United States Food and Drug Administration;
- 37.26 (4) a representative of the United States Department of Agriculture;
- 37.27 (5) a representative of the Agricultural Utilization Research Institute;
- 37.28 (6) one member of the Minnesota Grocers Association;
- 37.29 (7) one member from the University of Minnesota knowledgeable in food and food  
 37.30 safety issues; and
- 37.31 (8) nine members appointed by the governor who are interested in food and food  
 37.32 safety, of whom:
- 37.33 (i) two persons are health or food professionals;
- 37.34 (ii) one person represents a statewide general farm organization;

38.1 (iii) one person represents a local food inspection agency; and

38.2 (iv) one person represents a food-oriented consumer group.

38.3 (b) Members shall serve without compensation. Members appointed by the governor  
38.4 shall serve four-year terms.

38.5 Subd. 3. **Organization.** (a) The task force shall meet monthly or as determined by  
38.6 the chair.

38.7 (b) The members of the task force shall annually elect a chair and other officers  
38.8 as the members deem necessary.

38.9 Subd. 4. **Staff.** The commissioner shall provide support staff, office space, and  
38.10 administrative services for the task force.

38.11 Subd. 5. **Duties.** The task force shall:

38.12 (1) coordinate educational efforts regarding food safety;

38.13 (2) provide advice and coordination to state agencies as requested by the agencies;

38.14 (3) serve as a source of information and referral for the public, news media, and  
38.15 others concerned with food safety; and

38.16 (4) make recommendations to Congress, the legislature, and others about appropriate  
38.17 action to improve food safety in the state.

38.18 Sec. 34. Minnesota Statutes 2006, section 32.21, subdivision 4, is amended to read:

38.19 Subd. 4. **Penalties.** (a) A person, other than a milk producer, who violates this  
38.20 section is guilty of a misdemeanor or subject to a civil penalty up to \$1,000.

38.21 (b) A milk producer may not change milk plants within 30 days, without permission  
38.22 of the commissioner, after receiving notification from the commissioner under paragraph  
38.23 (c) or (d) that the milk producer has violated this section.

38.24 (c) A milk producer who violates subdivision 3, clause (1), (2), (3), (4), or (5), is  
38.25 subject to clauses (1) to (3) of this paragraph.

38.26 (1) Upon notification of the first violation in a 12-month period, the producer must  
38.27 meet with the qualified dairy sanitarian to initiate corrective action within 30 days.

38.28 (2) Upon the second violation within a 12-month period, the producer is subject to  
38.29 a civil penalty of \$300. The commissioner shall notify the producer by certified mail  
38.30 stating the penalty is payable in 30 days, the consequences of failure to pay the penalty,  
38.31 and the consequences of future violations.

38.32 (3) Upon the third violation within a 12-month period, the producer is subject to  
38.33 an additional civil penalty of \$300 and possible revocation of the producer's permit or  
38.34 certification. The commissioner shall notify the producer by certified mail that all civil  
38.35 penalties owed must be paid within 30 days and that the commissioner is initiating

39.1 administrative procedures to revoke the producer's permit or certification to sell milk  
39.2 for at least 30 days.

39.3 (d) The producer's shipment of milk must be immediately suspended if the producer  
39.4 is identified as an individual source of milk containing residues causing a bulk load of  
39.5 milk to test positive in violation of subdivision 3, clause (6) or (7). The Grade A or  
39.6 manufacturing grade permit must be converted to temporary status for not more than  
39.7 30 days and shipment may resume only after subsequent milk has been sampled by  
39.8 the commissioner or the commissioner's agent and found to contain no residues above  
39.9 established tolerances or safe levels.

39.10 The Grade A or manufacturing grade permit may be restored if the producer  
39.11 completes the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed  
39.12 veterinarian, displays the signed certificate in the milkhouse, and sends verification to the  
39.13 commissioner within the 30-day temporary permit status period. If the producer does  
39.14 not comply within the temporary permit status period, the Grade A or manufacturing  
39.15 grade permit must be suspended. A milk producer whose milk supply is in violation of  
39.16 subdivision 3, clause (6) or (7), and has caused a bulk load to test positive is subject to  
39.17 clauses (1) to (3) of this paragraph.

39.18 (1) For the first violation in a 12-month period, the penalty is the value of all milk on  
39.19 the contaminated load plus any costs associated with the disposition of the contaminated  
39.20 load. Future pickups are prohibited until subsequent testing reveals the milk is free of  
39.21 drug residue. A farm inspection must be completed by a qualified dairy sanitarian and  
39.22 the producer to determine the cause of the residue and actions required to prevent future  
39.23 violations.

39.24 (2) For the second violation in a 12-month period, the penalty is the value of all  
39.25 milk on the contaminated load plus any costs associated with the disposition of the  
39.26 contaminated load. Future pickups are prohibited until subsequent testing reveals the milk  
39.27 is free of drug residue. A farm inspection must be completed by ~~the regulatory agency~~  
39.28 ~~or its agent~~ a qualified dairy sanitarian to determine the cause of the residue and actions  
39.29 required to prevent future violations.

39.30 (3) For the third or subsequent violation in a 12-month period, the penalty is the value  
39.31 of all milk on the contaminated load plus any costs associated with the disposition of the  
39.32 contaminated load. Future pickups are prohibited until subsequent testing reveals the milk  
39.33 is free of drug residue. The commissioner or the commissioner's agent shall also notify the  
39.34 producer by certified mail that the commissioner is initiating administrative procedures to  
39.35 revoke the producer's ~~right~~ permit or certification to sell milk for a minimum of 30 days.

40.1 (4) If a bulk load of milk tests negative for residues and there is a positive producer  
40.2 sample on the load, no civil penalties may be assessed to the producer. The plant must  
40.3 report the positive result within 24 hours and reject further milk shipments from that  
40.4 producer until the producer's milk tests negative. A farm inspection must be completed  
40.5 by ~~the plant representative and the producer~~ a qualified dairy sanitarian to determine the  
40.6 cause of the residue and actions required to prevent future violations. The department  
40.7 shall suspend the producer's permit and count the violation on the producer's record. The  
40.8 Grade A or manufacturing grade permit must be converted to temporary status for not  
40.9 more than 30 days during which time the producer must review the "Milk and Dairy Beef  
40.10 Residue Prevention Protocol" with a licensed veterinarian, display the signed certificate  
40.11 in the milkhouse, and send verification to the commissioner. If these conditions are met,  
40.12 the Grade A or manufacturing grade permit must be reinstated. If the producer does not  
40.13 comply within the temporary permit status period, the Grade A or manufacturing grade  
40.14 permit must be suspended.

40.15 (e) A milk producer that has been certified as completing the "Milk and Dairy Beef  
40.16 Residue Prevention Protocol" within 12 months of the first violation of subdivision 3,  
40.17 clause (7), need only review the cause of the violation with a field service representative  
40.18 within three days to maintain Grade A or manufacturing grade permit and shipping status  
40.19 if all other requirements of this section are met.

40.20 (f) Civil penalties collected under this section must be deposited in the milk  
40.21 inspection services account established in this chapter.

40.22 Sec. 35. Minnesota Statutes 2006, section 32.212, is amended to read:

40.23 **32.212 MILK HOUSES FOR BULK TANKS.**

40.24 Any producer using a bulk tank for cooling and storage of milk to be used for  
40.25 manufacturing purposes shall have an enclosed milk room which shall conform to the  
40.26 standards provided by this section ~~and section 32.213~~. The floor shall be constructed of  
40.27 concrete or other impervious material, maintained in good repair, and graded to provide  
40.28 proper drainage. The walls and ceilings of the room shall be sealed and constructed  
40.29 of smooth easily cleaned material. All windows shall be screened and doors shall be  
40.30 self-closing. It shall be well ventilated and must meet the following requirements:

40.31 (1) The bulk tank shall not be located over a drain or under a ventilator.

40.32 (2) The hose port shall be located in an exterior wall and fitted with a tight  
40.33 self-closing door.

41.1 (3) Each milk room shall have an adequate supply of water readily accessible with  
41.2 facilities for heating the water, to insure the cleaning and sanitizing of the bulk tank,  
41.3 utensils and equipment and the keeping of the milk room clean.

41.4 (4) No lights shall be placed directly over the bulk tank.

41.5 (5) The bulk tank shall be properly located in the milk room for easy access to all  
41.6 areas for cleaning and servicing.

41.7 (6) The milkhouse shall be used only for storage of milk, milk utensils, and supplies  
41.8 incidental to the production of milk.

41.9 (7) This section ~~and section 32.213~~ are is effective for all bulk tanks for milk  
41.10 produced for manufacturing purposes.

41.11 (8) No milk processor shall buy milk from any producer of milk using a bulk  
41.12 tank to be used for manufacturing purposes unless such producer has complied with the  
41.13 provisions of this section.

41.14 (9) After July 1, 1965, no person shall install a bulk tank except in a milk room or  
41.15 milkhouse which complies with the provisions of this section ~~and section 32.213~~.

41.16 (10) The enforcement of this section ~~and section 32.213~~ shall be administered by  
41.17 the Minnesota Department of Agriculture.

41.18 (11) Any person violating any provisions of this section ~~and section 32.213~~ shall be  
41.19 punished by a fine of not more than \$50.

41.20 Sec. 36. Minnesota Statutes 2006, section 32.394, subdivision 4, is amended to read:

41.21 Subd. 4. **Rules.** The commissioner shall by rule ~~promulgate~~ adopt identity,  
41.22 production, and processing standards for milk, milk products, and goat milk which are  
41.23 intended to bear the Grade A label.

41.24 In the exercise of the authority to establish requirements for Grade A milk, milk  
41.25 products, and goat milk, the commissioner adopts definitions, standards of identity, and  
41.26 requirements for production and processing contained in the "~~2001~~ Grade A Pasteurized  
41.27 Milk Ordinance" ~~and the "1995 Grade A Condensed and Dry Milk Ordinance"~~ of the  
41.28 United States Department of Health and Human Services, in a manner provided for and  
41.29 not in conflict with law.

41.30 Sec. 37. Minnesota Statutes 2006, section 32.415, is amended to read:

41.31 **32.415 MILK FOR MANUFACTURING; QUALITY STANDARDS.**

41.32 (a) The commissioner may adopt rules to provide uniform quality standards,  
41.33 and producers of milk used for manufacturing purposes shall conform to the  
41.34 standards contained in Subparts B, C, D, E, and F of the United States Department of

42.1 Agriculture Consumer and Marketing Service Recommended Requirements for Milk  
42.2 for Manufacturing Purposes and its Production and Processing, ~~as revised through June~~  
42.3 ~~17, 2002~~, except that the commissioner shall develop methods by which producers can  
42.4 comply with the standards without violation of religious beliefs.

42.5 (b) The commissioner shall perform or contract for the performance of the  
42.6 inspections necessary to implement this section or shall certify dairy industry personnel to  
42.7 perform the inspections.

42.8 (c) The commissioner and other employees of the department shall make every  
42.9 reasonable effort to assist producers in achieving the milk quality standards at minimum  
42.10 cost and to use the experience and expertise of the University of Minnesota and the  
42.11 Agricultural Extension Service to assist producers in achieving the milk quality standards  
42.12 in the most cost-effective manner.

42.13 (d) The commissioner shall consult with producers, processors, and others involved  
42.14 in the dairy industry in order to prepare for the implementation of this section including  
42.15 development of informational and educational materials, meetings, and other methods of  
42.16 informing producers about the implementation of standards under this section.

42.17 **Sec. 38. [35.085] INDEMNITY FOR DESTROYED CATTLE.**

42.18 (a) The board may pay indemnity to cattle owners who choose to euthanize cattle  
42.19 that test suspect for bovine tuberculosis, if funds are available from appropriations for  
42.20 the purpose and if the United States Department of Agriculture refuses to pay indemnity  
42.21 for the animal. The board shall pay fair market value less salvage value as appraised by  
42.22 a disinterested appraiser appointed by the board. The board's decision as to the amount  
42.23 of indemnity is final. If the owner refuses the board's offer, the owner need not dispose  
42.24 of the animal unless and until it later shows positive to any recognized test for bovine  
42.25 tuberculosis.

42.26 (b) Indemnity payments made by the board are subject to the requirements of  
42.27 chapter 336A.

42.28 **Sec. 39. [35.244] RULES FOR CONTROL OF BOVINE TUBERCULOSIS.**

42.29 The board may adopt rules to provide for the control of tuberculosis in cattle. The  
42.30 rules may include provisions for quarantine, tests, and such other measures as the board  
42.31 deems appropriate. Federal regulations, as provided by Code of Federal Regulations, title  
42.32 9, part 77, and the Bovine Tuberculosis Eradication Uniform Methods and Rules, are  
42.33 incorporated as part of the rules in this state.

43.1 Sec. 40. **[38.171] CAMPGROUND DURING FAIRS.**

43.2 Notwithstanding sections 327.14 to 327.28 or any rule adopted by the commissioner  
43.3 of health, during a county fair or other fair requiring camping accommodations, a camping  
43.4 area maintained by a county agricultural society must have a minimum area of 300 square  
43.5 feet per site and the total number of sites must not exceed one site for every 300 square  
43.6 feet of usable land area.

43.7 Sec. 41. Minnesota Statutes 2006, section 41B.03, subdivision 1, is amended to read:

43.8 Subdivision 1. **Eligibility generally.** To be eligible for a program in sections  
43.9 41B.01 to 41B.23:

43.10 (1) a borrower must be a resident of Minnesota or ~~a domestic family farm~~  
43.11 ~~corporation or family farm partnership, as defined in~~ an entity eligible to own farm land  
43.12 under section 500.24, subdivision 2; and

43.13 (2) the borrower or one of the borrowers must be the principal operator of the  
43.14 farm or, for a prospective homestead redemption borrower, must have at one time been  
43.15 the principal operator of a farm.

43.16 Sec. 42. Minnesota Statutes 2006, section 41B.043, subdivision 2, is amended to read:

43.17 Subd. 2. **Specifications.** ~~No direct loan may exceed \$35,000 or \$125,000 for a loan~~  
43.18 ~~participation.~~ Each ~~direct loan and~~ participation must be secured by a mortgage on real  
43.19 property and such other security as the authority may require.

43.20 Sec. 43. Minnesota Statutes 2006, section 41B.043, subdivision 3, is amended to read:

43.21 Subd. 3. **Application and origination fee.** The authority may impose a reasonable  
43.22 nonrefundable application fee for each application submitted for a ~~direct loan or~~  
43.23 ~~participation and an origination fee for each direct loan~~ issued under the agricultural  
43.24 improvement loan program. ~~The origination fee initially shall be set at 1.5 percent and~~ The  
43.25 application fee ~~at~~ is initially \$50. The authority may review the fees annually and make  
43.26 adjustments as necessary. The fees must be deposited in the state treasury and credited  
43.27 to an account in the special revenue fund. Money in this account is appropriated to the  
43.28 commissioner for administrative expenses of the agricultural improvement loan program.

43.29 Sec. 44. Minnesota Statutes 2006, section 41B.043, subdivision 4, is amended to read:

43.30 Subd. 4. **Interest rate.** The interest rate per annum on the agricultural improvement  
43.31 ~~direct loan or~~ participation must be the rate of interest determined by the authority to be  
43.32 necessary to provide for the timely payment of principal and interest when due on bonds

44.1 or other obligations of the authority issued under chapter 41B to provide financing for  
44.2 ~~direct loans and~~ participations made under the agricultural improvement loan program,  
44.3 and to provide for reasonable and necessary costs of issuing, carrying, administering,  
44.4 and securing the bonds or notes and to pay the costs incurred and to be incurred by the  
44.5 authority in the implementation of the agricultural improvement loan program.

44.6 Sec. 45. Minnesota Statutes 2006, section 41B.046, subdivision 4, is amended to read:

44.7 Subd. 4. **Eligibility.** To be eligible for this program a borrower must:

44.8 (1) ~~be a resident of Minnesota or a domestic family farm corporation as defined in~~  
44.9 ~~section 500.24, subdivision 2~~ meet the requirements of section 41B.03, subdivision 1;

44.10 (2) be a grower of the agricultural product which is to be processed by an agricultural  
44.11 product processing facility;

44.12 (3) demonstrate an ability to repay the loan; and

44.13 (4) meet any other requirements which the authority may impose by rule.

44.14 Sec. 46. Minnesota Statutes 2006, section 41B.047, is amended to read:

44.15 **41B.047 DISASTER RECOVERY LOAN PROGRAM.**

44.16 Subdivision 1. **Establishment.** The authority shall establish and implement a  
44.17 disaster recovery loan program to help farmers:

44.18 (1) clean up, repair, or replace farm structures and septic and water systems, as well  
44.19 as replacement of replace seed, other crop inputs, feed, and livestock, when damaged  
44.20 by high winds, hail, tornado, or flood; or

44.21 (2) purchase watering systems, irrigation systems, and other drought mitigation  
44.22 systems and practices when drought is the cause of the purchase.

44.23 Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

44.24 (1) ~~be a resident of this state or a domestic family farm corporation or family farm~~  
44.25 ~~partnership as defined in section 500.24, subdivision 2~~ meet the requirements of section  
44.26 41B.03, subdivision 1;

44.27 (2) certify that the damage or loss was sustained within a county that was the subject  
44.28 of a state or federal disaster declaration;

44.29 (3) demonstrate an ability to repay the loan;

44.30 (4) have a total net worth, including assets and liabilities of the borrower's spouse  
44.31 and dependents, of less than ~~\$400,000~~ \$660,000 in 2004 and an amount in subsequent  
44.32 years which is adjusted for inflation by multiplying that amount by the cumulative  
44.33 inflation rate as determined by the Consumer Price Index; and

45.1 (5) have received at least 50 percent of average annual gross income from farming  
45.2 for the past three years.

45.3 Subd. 4. **Loans.** (a) The authority may participate in a disaster recovery loan with  
45.4 an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited  
45.5 to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The  
45.6 interest rates and repayment terms of the authority's participation interest may differ from  
45.7 the interest rates and repayment terms of the lender's retained portion of the loan, but the  
45.8 authority's interest rate must not exceed four percent.

45.9 (b) Standards for loan amortization shall be set by the Rural Finance Authority  
45.10 not to exceed ten years.

45.11 (c) Security for the disaster recovery loans must be a personal note executed by the  
45.12 borrower and whatever other security is required by the eligible lender or the authority.

45.13 (d) The authority may impose a reasonable nonrefundable application fee for a  
45.14 disaster recovery loan. The authority may review the fee annually and make adjustments  
45.15 as necessary. The application fee is initially \$50. Application fees received by the  
45.16 authority must be deposited in the ~~disaster recovery revolving fund~~ revolving loan account  
45.17 established under section 41B.06.

45.18 (e) Disaster recovery loans under this program will be made using money in the  
45.19 ~~disaster recovery revolving fund established under subdivision 2~~ revolving loan account  
45.20 established under section 41B.06.

45.21 (f) Repayments of financial assistance under this section, including principal and  
45.22 interest, must be deposited into the revolving loan account established under section  
45.23 41B.06.

45.24 Sec. 47. Minnesota Statutes 2006, section 41B.055, is amended to read:

45.25 **41B.055 LIVESTOCK EQUIPMENT PILOT LOAN PROGRAM.**

45.26 Subdivision 1. **Establishment.** The authority must establish and implement  
45.27 a livestock equipment pilot loan program to help finance the ~~first~~ purchase of  
45.28 livestock-related equipment and make livestock facilities improvements.

45.29 Subd. 2. **Eligibility.** Notwithstanding section 41B.03, to be eligible for this program  
45.30 a borrower must:

45.31 (1) be a resident of Minnesota or general partnership or a family farm corporation,  
45.32 authorized farm corporation, family farm partnership, or authorized farm partnership as  
45.33 defined in section 500.24, subdivision 2;

45.34 (2) be the principal operator of a livestock farm;

46.1 (3) have a total net worth, including assets and liabilities of the borrower's spouse  
46.2 and dependents, no greater than the amount stipulated in section 41B.03, subdivision 3;

46.3 (4) demonstrate an ability to repay the loan; and

46.4 (5) hold an appropriate feedlot registration or be using the loan under this program  
46.5 to meet registration requirements. ~~In addition to the requirements in clauses (1) to (5);~~  
46.6 ~~preference must be given to applicants who have farmed less than ten years as evidenced~~  
46.7 ~~by their filing of schedule F in their federal tax returns.~~

46.8 Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan  
46.9 equal to 90 percent of the purchased equipment value with an eligible lender to a farmer  
46.10 who is eligible under subdivision 2. Participation is limited to 45 percent of the principal  
46.11 amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms  
46.12 of the authority's participation interest may differ from the interest rates and repayment  
46.13 terms of the lender's retained portion of the loan, but the authority's interest rate must  
46.14 not exceed three percent. The authority may review the interest annually and make  
46.15 adjustments as necessary.

46.16 (b) Standards for loan amortization must be set by the Rural Finance Authority and  
46.17 must not exceed ~~seven~~ ten years.

46.18 (c) Security for a livestock equipment loan must be a personal note executed by the  
46.19 borrower and whatever other security is required by the eligible lender or the authority.

46.20 (d) Refinancing of existing debt is not an eligible purpose.

46.21 (e) The authority may impose a reasonable, nonrefundable application fee for  
46.22 a livestock equipment loan. The authority may review the fee annually and make  
46.23 adjustments as necessary. The initial application fee is \$50. Application fees received by  
46.24 the authority must be deposited in the revolving loan account established in section 41B.06.

46.25 (f) Loans under this program must be made using money in the revolving loan  
46.26 account established in section 41B.06.

46.27 Subd. 4. **Eligible expenditures.** Money may be used for loans for the acquisition of  
46.28 equipment for animal housing, confinement, animal feeding, milk production, and waste  
46.29 management, including the following, if related to animal husbandry:

46.30 (1) fences;

46.31 (2) watering facilities;

46.32 (3) feed storage and handling equipment;

46.33 (4) milking parlors;

46.34 (5) milking equipment;

46.35 (6) scales;

46.36 (7) milk storage and cooling facilities;

- 47.1 (8) manure pumping and storage facilities; ~~and~~
- 47.2 (9) capital investment in pasture;
- 47.3 (10) hoop barns;
- 47.4 (11) portable structures;
- 47.5 (12) hay and forage equipment; and
- 47.6 (13) related structural work for the installation of equipment.

47.7 Sec. 48. Minnesota Statutes 2006, section 41B.06, is amended to read:

47.8 **41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.**

47.9 There is established in the rural finance administration fund a Rural Finance  
47.10 Authority revolving loan account that is eligible to receive appropriations and the transfer  
47.11 of loan funds from other programs. All repayments of financial assistance granted from  
47.12 this account, including principal and interest, must be deposited into this account. Interest  
47.13 earned on money in the account accrues to the account, and the money in the account  
47.14 is appropriated to the commissioner of agriculture for purposes of the Rural Finance  
47.15 Authority livestock equipment, methane digester, disaster recovery, and value-added  
47.16 agricultural product loan programs, including costs incurred by the authority to establish  
47.17 and administer the programs.

47.18 Sec. 49. Minnesota Statutes 2006, section 41C.05, subdivision 2, is amended to read:

47.19 Subd. 2. **Eligibility; beginning farmers.** The authority shall provide in the  
47.20 agricultural development bond beginning farmer and agricultural business enterprise loan  
47.21 program that a mortgage or a contract on behalf of a beginning farmer may be provided if  
47.22 the borrower qualifies under authority rules and under federal tax law governing qualified  
47.23 small issue bonds and must:

- 47.24 (1) be a resident of Minnesota;
- 47.25 (2) have sufficient education, training, or experience in the type of farming for  
47.26 which the loan is desired;
- 47.27 (3) have a low or moderate net worth, as defined in section 41C.02, subdivision 12;
- 47.28 (4) certify that the agricultural land to be purchased will be used by the borrower  
47.29 for agricultural purposes;
- 47.30 (5) certify that farming will be the principal occupation of an individual borrower;
- 47.31 (6) agree to participate in a farm management program approved by the  
47.32 commissioner of agriculture for at least the first ~~five~~ three years of the loan, if an approved  
47.33 program is available within 45 miles from the borrower's residence. The commissioner

48.1 may waive this requirement for any of the programs administered by the authority if the  
48.2 participant requests a waiver and provides justification; and

48.3 (7) agree to file an approved soil and water conservation plan with the Soil  
48.4 Conservation Service office in the county where the land is located.

48.5 Sec. 50. Minnesota Statutes 2006, section 116.0714, is amended to read:

48.6 **116.0714 NEW OPEN AIR SWINE BASINS.**

48.7 ~~After May 18, 2002,~~ The commissioner of the Pollution Control Agency or a county  
48.8 board shall not approve any permits for the construction of new open air swine basins,  
48.9 except that existing facilities may use one basin of less than 1,000,000 gallons as part  
48.10 of a permitted waste treatment program for resolving pollution problems or to allow  
48.11 conversion of an existing basin of less than 1,000,000 gallons to a different animal type,  
48.12 provided all standards are met. This section expires June 30, ~~2007~~ 2012.

48.13 Sec. 51. Minnesota Statutes 2006, section 156.001, is amended by adding a subdivision  
48.14 to read:

48.15 Subd. 3a. **Animal chiropractic.** "Animal chiropractic" means a system of treating  
48.16 diseases by manipulation of the vertebral column.

48.17 Sec. 52. Minnesota Statutes 2006, section 156.001, is amended by adding a subdivision  
48.18 to read:

48.19 Subd. 3b. **Artificial insemination.** "Artificial insemination" means the implanting  
48.20 of live spermatozoa into a female animal.

48.21 Sec. 53. Minnesota Statutes 2006, section 156.001, is amended by adding a subdivision  
48.22 to read:

48.23 Subd. 6b. **Farriery.** "Farriery" means techniques used by a farrier or blacksmith  
48.24 including trimming hooves and making, fitting, and remodeling horseshoes.

48.25 Sec. 54. Minnesota Statutes 2006, section 156.001, is amended by adding a subdivision  
48.26 to read:

48.27 Subd. 8a. **Massage.** "Massage" means systematic therapeutic stroking or kneading  
48.28 of the body or a specific body part of an animal to improve circulation and muscle  
48.29 function, release scar tissue, or produce relaxation.

49.1 Sec. 55. Minnesota Statutes 2006, section 156.001, is amended by adding a subdivision  
49.2 to read:

49.3 Subd. 10a. **Teeth floating.** "Teeth floating" for horses and other equine animals  
49.4 means:

49.5 (1) removal of enamel points from teeth with hand-held, nonmotorized,  
49.6 non-air-powered files or rasps;

49.7 (2) reestablishing normal molar table angles and freeing up lateral excursion and  
49.8 other normal movements of the mandible;

49.9 (3) shaping the lingual aspect of the lower arcades and the buccal aspect of the upper  
49.10 arcades to a rounded smooth surface; and

49.11 (4) removing points from the buccal aspect of the upper arcade and the lingual  
49.12 aspect of the lower arcade.

49.13 Sec. 56. Minnesota Statutes 2006, section 156.12, subdivision 1, is amended to read:

49.14 Subdivision 1. **Practice.** (a) The practice of veterinary medicine, as used in this  
49.15 chapter, shall mean the diagnosis, treatment, correction, relief, or prevention of animal  
49.16 disease, deformity, defect, injury, or other physical or mental conditions; the performance  
49.17 of obstetrical procedures for animals, including determination of pregnancy and correction  
49.18 of sterility or infertility; and the rendering of advice or recommendations with regard to  
49.19 any of the above. The practice of veterinary medicine shall include but not be limited to  
49.20 the prescription or administration of any drug, medicine, biologic, apparatus, application,  
49.21 anesthetic, or other therapeutic or diagnostic substance or technique.

49.22 (b) The practice of veterinary medicine shall not be construed to include the  
49.23 dehorning of cattle and goats ~~or~~, the castration of cattle, swine, goats, and sheep, ~~or~~ the  
49.24 docking of sheep, artificial insemination, teeth floating, farriery, animal chiropractic,  
49.25 massage, or other treatments of similar or less risk or requiring similar or less formal  
49.26 veterinary education employed to maintain domestic animals in good health.

49.27 Sec. 57. Minnesota Statutes 2006, section 469.310, is amended by adding a subdivision  
49.28 to read:

49.29 Subd. 11a. **Qualified farm.** "Qualified farm" means a person actively engaged in  
49.30 farming, that invests in an agricultural processing facility on the farm, and that:

49.31 (1) increases employment on the farm by a minimum of 25 percent of full-time  
49.32 employment in the first full year of operation. The employment may include family  
49.33 members;

50.1 (2) makes an investment equal to at least ten percent of the previous years' gross  
50.2 revenue in the agricultural processing facility; and  
50.3 (3) enters into a binding written agreement with the commissioner that:  
50.4 (i) pledges the agricultural processing facility will meet the requirements of clauses  
50.5 (1) and (2); and  
50.6 (ii) provides the repayment of all tax benefits enumerated under section 469.315  
50.7 to the business under the procedures in section 469.319, if the requirements of clauses  
50.8 (1) and (2) are not met for the taxable year or for taxes payable during the year in which  
50.9 the requirements are not met; and  
50.10 (iii) contains any other terms the commissioner deems appropriate.

50.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

50.12 **Sec. 58. [469.3141] DESIGNATION OF FAMILY AGRICULTURAL**  
50.13 **REVITALIZATION ZONES.**

50.14 **Subdivision 1. Authority to designate.** In addition to the designations authorized  
50.15 under section 469.314, the commissioner, in consultation with the commissioner of  
50.16 revenue, may designate one or more family agricultural revitalization zones for on-farm  
50.17 agricultural processing facility projects. In designating a zone, the commissioner shall  
50.18 consider the need for tax incentives to make the project feasible and the likelihood  
50.19 of success of the project. The commissioner may designate a zone at any time upon  
50.20 application for a qualifying project.

50.21 **Subd. 2. Qualifying projects.** A qualifying project is limited to the portion of a  
50.22 qualified farm that consists of the agricultural processing facility. The tax incentives under  
50.23 section 469.315 do not extend to the rest of the farm.

50.24 **Subd. 3. Application of JOBZ rules.** Except as otherwise specifically provided  
50.25 in this section, sections 469.310 to 469.320 apply to family agricultural revitalization  
50.26 zones designated under this section.

50.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

50.28 **Sec. 59. COMMISSIONER TO EVALUATE AND REPORT.**

50.29 By March 1, 2008, the commissioner of agriculture in consultation with the  
50.30 commissioner of health and the University of Minnesota shall evaluate the potential  
50.31 hazards posed by plants to retail consumers and livestock, and report the findings to  
50.32 the standing committees of the senate and the house of representatives with jurisdiction  
50.33 over agriculture policy.

51.1       Sec. 60. **WASTE PESTICIDE TASK FORCE, REPORT.**

51.2           The commissioner of agriculture shall convene a waste pesticide task force to review  
51.3 all aspects of the waste pesticide collection issue and develop a comprehensive approach  
51.4 to equitably and efficiently collect waste pesticides statewide. The task force shall include  
51.5 a representative of each of the following organizations: the house of representatives,  
51.6 as appointed by the chair of the house committee with jurisdiction over agriculture  
51.7 finance; the senate, as appointed by the chair of the senate committee with jurisdiction  
51.8 over agriculture finance; the departments of agriculture; the department of pollution  
51.9 control; the Minnesota Solid Waste Administrators Association; the metropolitan Solid  
51.10 Waste Management Coordinating Board; the Association of Minnesota Counties; the  
51.11 Minnesota Farm Bureau; and the Minnesota Farmers Union. The task force must have  
51.12 three additional members representing Minnesota pesticide registrants, distributors, and  
51.13 retailers, respectively, as appointed by the commissioner. Public members of the task force  
51.14 must serve without compensation or reimbursement of personal expenses. No later than  
51.15 January 5, 2008, the commissioner of agriculture shall present the task force's findings  
51.16 and specific recommendations to the house and senate committees with jurisdiction over  
51.17 agriculture finance.

51.18       Sec. 61. **WASTE PESTICIDE COLLECTION, DISPOSAL.**

51.19           Notwithstanding section 18B.26, subdivision 2, the commissioner of agriculture  
51.20 shall spend at least \$600,000 in fiscal year 2008 from the pesticide regulatory account  
51.21 for the purposes of the waste pesticide collection program. During fiscal year 2008, the  
51.22 commissioner shall provide an opportunity for residents to dispose of waste residential  
51.23 and agricultural pesticides in each county where the commissioner has not provided an  
51.24 opportunity for persons to dispose of waste pesticides within county boundaries during the  
51.25 previous two fiscal years.

51.26       Sec. 62. **RESIDENTIAL ANTIMICROBIAL PESTICIDE APPLICATOR**  
51.27 **LICENSE STUDY.**

51.28           (a) The commissioners of agriculture and health must study the development  
51.29 and implementation of a new category of license for commercial pesticide applicators  
51.30 who apply antimicrobial pesticides for hire to mitigate or remediate mold in homes,  
51.31 apartments, or other residences. The commissioners must seek and obtain consultation  
51.32 with representatives of the University of Minnesota qualified in mold and other fungal  
51.33 microbe pest control. They shall prepare a report which must include:

52.1 (1) a discussion of existing federal and state laws and rules, if any, that govern  
52.2 commercial residential antimicrobial pesticide mold control applicators;

52.3 (2) a literature review on the need for, and efficacy of, antimicrobial pesticides used  
52.4 in residential settings for mold control and any potential dangers posed by the residential  
52.5 application of these products, particularly to young children and other sensitive persons;

52.6 (3) a survey of the law and process, if any, for licensing commercial residential  
52.7 antimicrobial pesticide mold control applicators in the rest of the United States; and

52.8 (4) recommended procedures for licensing prospective residential antimicrobial  
52.9 pesticide mold control applicators in Minnesota, highlighting provisions that test the  
52.10 applicant's understanding of the efficacy of antimicrobial pesticides and methods for  
52.11 mitigating any potential dangers discovered in the review required in clause (2).

52.12 (b) No later than December 1, 2007, the commissioners shall report the results of  
52.13 the study described in paragraph (a) and an implementation plan to the house and senate  
52.14 committees with jurisdiction over agricultural policy and finance and environmental  
52.15 health.

52.16 **Sec. 63. REPEALER.**

52.17 (a) Minnesota Statutes 2006, sections 17.109; 18B.315; 18C.425, subdivision 5;  
52.18 32.213; 35.08; 35.09; 35.10; 35.11; 35.12; 41B.043, subdivision 1a; and 156.075, are  
52.19 repealed.

52.20 (b) Minnesota Rules, parts 1705.0840; 1705.0850; 1705.0860; 1705.0870;  
52.21 1705.0880; 1705.0890; 1705.0900; 1705.0910; 1705.0920; 1705.0930; 1705.0940;  
52.22 1705.0950; 1705.0960; 1705.0970; 1705.0980; 1705.0990; 1705.1000; 1705.1010;  
52.23 1705.1020; 1705.1030; 1705.1040; 1705.1050; 1705.1060; 1705.1070; 1705.1080;  
52.24 1705.1086; 1705.1087; and 1705.1088, are repealed.

52.25 **ARTICLE 3**

52.26 **BIOENERGY POLICY**

52.27 **Section 1. [41A.10] NEXTGEN ENERGY.**

52.28 Subdivision 1. **Purpose.** It is the goal of the state through the Department of  
52.29 Agriculture to research and develop energy sources to displace fossil fuels with renewable  
52.30 technology.

52.31 Subd. 2. **NextGen Energy Board.** There is created a NextGen Energy Board  
52.32 consisting of the commissioners of agriculture, commerce, natural resources, the Pollution  
52.33 Control Agency, and employment and economic development; the chairs of the house and  
52.34 senate committees with jurisdiction over energy finance; the chairs of the house and

53.1 senate committees with jurisdiction over agriculture finance; one member of the second  
53.2 largest political party in the house, as appointed by the chairs of the house committees  
53.3 with jurisdiction over agriculture finance and energy finance; one member of the second  
53.4 largest political party in the senate, as appointed by the chairs of the senate committees  
53.5 with jurisdiction over agriculture finance and energy finance; and the executive director  
53.6 of the Agricultural Utilization Research Institute. In addition, the governor shall appoint  
53.7 six members: two representing statewide agriculture organizations; two representing  
53.8 statewide environment and natural resource conservation organizations; one representing  
53.9 the University of Minnesota; and one representing the Minnesota State Colleges and  
53.10 Universities system.

53.11 Subd. 3. **Duties.** The board shall research and report to the commissioner of  
53.12 agriculture and to the legislature recommendations as to how the state can invest its  
53.13 resources to most efficiently achieve energy independence, agricultural and natural  
53.14 resources sustainability, and rural economic vitality. The board shall:

53.15 (1) examine the future of fuels, such as synthetic gases, biobutanol, hydrogen,  
53.16 methanol, diesel, and ethanol within Minnesota;

53.17 (2) develop equity grant programs to assist locally owned facilities;

53.18 (3) study the proper role of the state in creating financing and investing and  
53.19 providing incentives;

53.20 (4) evaluate how state and federal programs, including the Farm Bill, can best work  
53.21 together and leverage resources; and

53.22 (5) report to the legislature before February 1 each year with recommendations as  
53.23 to appropriations and results of past actions and projects.

53.24 Subd. 4. **Commissioner's duties.** The commissioner of agriculture shall administer  
53.25 this section.

53.26 Subd. 5. **Expiration.** This section expires June 30, 2011.

53.27 **Sec. 2. [41A.11] TWENTY-FIVE BY TWENTY-FIVE GOAL.**

53.28 It is the goal of the state that no later than January 1, 2025, the state's agricultural,  
53.29 forestry, and working land should provide from renewable resources not less than 25  
53.30 percent of the total energy consumed in this state while continuing to produce safe,  
53.31 abundant, and affordable food, feed, and fiber.

53.32 **Sec. 3. Minnesota Statutes 2006, section 239.7911, subdivision 1, is amended to read:**

53.33 **Subdivision 1. **Petroleum replacement goal.** The tiered petroleum replacement**  
53.34 **goal of the state of Minnesota is that:**

54.1 (1) at least 20 percent of the liquid fuel sold in the state is derived from renewable  
54.2 sources by December 31, 2015; and

54.3 (2) at least 25 percent of the liquid fuel sold in the state is derived from renewable  
54.4 sources by December 31, 2025.

#### 54.5 **ARTICLE 4**

#### 54.6 **VETERANS AFFAIRS POLICY**

##### 54.7 **Section 1. [192.382] HONOR GUARDS.**

54.8 Upon the death of any person who has honorably served six or more years or is  
54.9 in active service in the Minnesota National Guard, the adjutant general may activate  
54.10 members to serve as an honor guard at the funeral. Members activated for service as honor  
54.11 guards must be paid at the rate provided in section 192.49, subdivision 1 or 2.

##### 54.12 **Sec. 2. [197.08] HEALTH SCREENING TEST FOR EXPOSURE TO** 54.13 **DEPLETED URANIUM.**

54.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions  
54.15 apply.

54.16 (b) "Commissioner" means the commissioner of veterans affairs.

54.17 (c) "Depleted uranium" means uranium containing less Uranium 235 than the  
54.18 naturally occurring distribution of uranium isotopes.

54.19 (d) "Eligible person" means a veteran or current member of the United States armed  
54.20 forces, including the Minnesota National Guard and other reserves, who has served  
54.21 in active military service as defined in section 190.05, subdivision 5, at any time since  
54.22 August 2, 1990, and who is a Minnesota resident.

54.23 (e) "Veteran" has the meaning given in section 197.447.

54.24 Subd. 2. **Health screening test.** (a) The following eligible persons have a right to a  
54.25 best practice health screening test for exposure to depleted uranium:

54.26 (1) those who have been assigned a risk level I or II for depleted uranium exposure  
54.27 by the person's branch of service;

54.28 (2) those who can provide to the satisfaction of the commissioner evidence of  
54.29 exposure equivalent to an assigned risk of level I or II; and

54.30 (3) those who provide evidence to the satisfaction of the commissioner of a medical  
54.31 diagnosis of serious debilitating symptoms of nonspecific origin following service in an  
54.32 area where depleted uranium ammunition was expended.

54.33 (b) The commissioner, in consultation with the commissioner of health, must  
54.34 select a test that utilizes a bioassay procedure involving sensitive methods capable of

55.1 detecting depleted uranium at low levels and the use of equipment with the capacity to  
55.2 discriminate between different radioisotopes in naturally occurring levels of uranium and  
55.3 the characteristic ratio and marker for depleted uranium.

55.4 Subd. 3. **Commissioner to provide for test.** The commissioner shall establish a  
55.5 method for administering the health screening test described in subdivision 2.

55.6 Subd. 4. **Notification of availability to those eligible.** The commissioner must  
55.7 make reasonable efforts to inform all eligible persons of their potential right to the health  
55.8 screening test described in subdivision 2.

55.9 Subd. 5. **Random sample study.** (a) In addition to the testing required under  
55.10 subdivision 2, the commissioner shall select a random sample containing ten percent of  
55.11 the eligible members who as Minnesota residents have served for a period of 30 days  
55.12 or more within Iraq or Afghanistan in support of contingency operations for Operation  
55.13 Iraqi Freedom or Operation Enduring Freedom. Each eligible member who is selected  
55.14 into the sample by the commissioner has the right to the same health screening test  
55.15 as provided under subdivision 2. The commissioner must make a reasonable effort to  
55.16 inform each selected person of that right, and must provide the person with a reasonable  
55.17 opportunity to take the health screening test. The commissioner, acting in accordance with  
55.18 the requirements of chapter 13, the Government Data Practices Act, must statistically  
55.19 tabulate the results of the screening tests for the selected sample and upon request must  
55.20 report those results to the chairs and ranking minority members of the senate and house of  
55.21 representatives committees responsible for military and veterans affairs.

55.22 (b) The adjutant general of the Minnesota National Guard, and the senior officer of  
55.23 each military reserve organization located within Minnesota shall assist the commissioner  
55.24 with the sampling task by providing to the commissioner in a timely manner a complete  
55.25 listing of the names, unit designations, and most recent mailing addresses of their current  
55.26 and previous members who as Minnesota residents have served for a period of 30 days  
55.27 or more in active military service within Iraq or Afghanistan in support of contingency  
55.28 operations for Operation Iraqi Freedom or Operation Enduring Freedom.

55.29 **EFFECTIVE DATE.** This section is effective July 1, 2007.

55.30 Sec. 3. **[197.231] HONOR GUARDS.**

55.31 The commissioner of veterans affairs shall pay, within available funds and upon  
55.32 request by a local unit of a congressionally chartered veterans organization or its auxiliary,  
55.33 up to \$50 to the local unit for each time that local unit provides an honor guard detail at  
55.34 the funeral of a deceased veteran. The commissioner may give priority to local units that  
55.35 do not have charitable gambling operations.

56.1 Sec. 4. Minnesota Statutes 2006, section 197.75, is amended to read:

56.2 **197.75 EDUCATIONAL ASSISTANCE, WAR ~~ORPHANS~~ SURVIVORS AND**  
56.3 **VETERANS.**

56.4 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this  
56.5 section.

56.6 (b) "Commissioner" means the commissioner of veterans affairs.

56.7 (c) "Deceased veteran" means a veteran who was a Minnesota resident within six  
56.8 months of the time of the person's entry into the United States armed forces and who has  
56.9 died as a result of that service, as determined by the United States Veterans Administration.

56.10 (d) "Eligible child" means a person who:

56.11 (1) is the natural or adopted son or daughter of a deceased veteran; and

56.12 (2) is a student making satisfactory academic progress at an eligible institution  
56.13 of higher education.

56.14 (e) "Eligible institution" means a postsecondary educational institution located in  
56.15 this state that either (1) is operated by this state, or (2) is operated publicly or privately  
56.16 and, as determined by the office, maintains academic standards substantially equivalent  
56.17 to those of comparable institutions operated in this state.

56.18 (f) "Eligible spouse" means the surviving spouse of a deceased veteran.

56.19 (g) "Eligible veteran" means a veteran who:

56.20 (1) is a student making satisfactory academic progress at an eligible institution  
56.21 of higher education;

56.22 (2) had Minnesota as the person's state of residence at the time of the person's  
56.23 enlistment or any reenlistment into the United States armed forces, as shown by the  
56.24 person's federal form DD-214 or other official documentation to the satisfaction of the  
56.25 commissioner;

56.26 (3) except for benefits under this section, has no remaining military or veteran-related  
56.27 educational assistance benefits for which the person may have been entitled; and

56.28 (4) while using the educational assistance authorized in this section, remains a  
56.29 resident student as defined in section 136A.101, subdivision 8.

56.30 (h) "Satisfactory academic progress" has the meaning given in section 136A.101,  
56.31 subdivision 10.

56.32 (i) "Student" has the meaning given in section 136A.101, subdivision 7.

56.33 (j) "Veteran" has the meaning given in section 197.447.

56.34 **Subd. 2. Benefits; eligibility.** (a) The commissioner of veterans affairs shall spend a  
56.35 biennial appropriation for tuition of veterans, and for tuition, fees, board, room, books, and  
56.36 supplies of the children of veterans who have died as a result of their service in the armed

57.1 ~~forces of the United States as determined by the United States Veterans Administration~~  
 57.2 ~~or other instrumentality of the United States, in the University of Minnesota, a state~~  
 57.3 ~~university, a community college, a technical college, or any other university of higher~~  
 57.4 ~~learning within the state accredited by the North Central Association of Colleges and~~  
 57.5 ~~Secondary Schools, a law college approved by the Supreme Court, a nursing school~~  
 57.6 ~~approved by the state Board of Nursing, or in a trade, business, or vocational school in~~  
 57.7 ~~the state approved by the state Department of Education, or in a theological seminary, for~~  
 57.8 ~~any course which such veteran or child may elect. Not more than \$750 shall be expended~~  
 57.9 ~~for the benefit of any individual veteran, and not more than \$750 in any fiscal year shall~~  
 57.10 ~~be expended for the benefit of any child under this section. No child of any veteran~~  
 57.11 ~~shall make application for the benefits provided in this section unless the child resided~~  
 57.12 ~~in Minnesota for at least two years immediately prior to the date of the application. to~~  
 57.13 ~~provide an educational assistance stipend of \$750 each year for each eligible child and~~  
 57.14 ~~each eligible spouse, and a single payment of \$750 for each eligible veteran. This stipend~~  
 57.15 ~~is not available for any person who has attained a bachelor's or equivalent degree.~~

57.16 ~~Children of veterans eligible for benefits according to this section~~ (b) Each eligible  
 57.17 child and each eligible spouse shall be admitted to state institutions of university grade  
 57.18 any Minnesota public eligible institution free of tuition until they receive the person has  
 57.19 attained a bachelors bachelor's or equivalent degree.

57.20 (c) Payments of benefits authorized under this section shall be made directly to the  
 57.21 institution in which the course of instruction is given participating eligible institutions or to  
 57.22 the individual on forms prescribed eligible individuals, as determined by the commissioner.

57.23 ~~Subd. 2. **Limitations.** The benefits in subdivision 1 are not available to a veteran~~  
 57.24 ~~who is entitled to the same or similar benefits under a law or regulation of the United~~  
 57.25 ~~States, except that a veteran who has been eligible for and has used up the benefits the~~  
 57.26 ~~veteran is entitled to under the laws of the United States is entitled to the benefits provided~~  
 57.27 ~~for by subdivision 1.~~

57.28 Subd. 3. **Proof of eligibility.** Approval for benefits under this section shall require  
 57.29 submission of the following evidence: application, proof of military service, and where  
 57.30 applicable, proof of residency and where applicable, a statement from the United States  
 57.31 Veterans Administration that the veteran has exhausted entitlement to federal educational  
 57.32 benefits through use thereof or that the veteran died of service connected disabilities.  
 57.33 Upon submission of satisfactory proof of eligibility, benefits shall be provided from the  
 57.34 date of application and notification of approval shall be sent to the educational institution  
 57.35 and applicant.

58.1 Subd. 4. **Reimbursement form.** ~~Reimbursement to such institution or eligible~~  
58.2 ~~individual authorized under subdivision 1 shall be on forms prescribed by~~ The  
58.3 commissioner shall establish policies and procedures for determining eligibility and  
58.4 payment under this section.

58.5 Subd. 5. ~~Definition of veteran~~ **Participation by eligible institutions.** ~~The word~~  
58.6 ~~"veteran" as used in this section shall have the same meaning as defined in section 197.447~~  
58.7 ~~except that it shall include service persons that died while on active duty.~~ (a) Each  
58.8 Minnesota public postsecondary institution must continue to participate in the educational  
58.9 assistance program authorized in this section during both peacetime and times of war.

58.10 (b) Any participating eligible institution not described in paragraph (a) may suspend  
58.11 or terminate its participation in the program at the end of any academic semester or other  
58.12 academic term.

58.13 ~~Subd. 6. **Residence required.** Veterans under this section shall have been a resident~~  
58.14 ~~of the state of Minnesota at the time of induction into the armed forces and six months~~  
58.15 ~~immediately preceding the induction.~~

58.16 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to  
58.17 applications for coursework taken on or after that date.

58.18 Sec. 5. Minnesota Statutes 2006, section 198.002, subdivision 2, is amended to read:

58.19 Subd. 2. **Membership.** The board consists of nine voting members appointed by the  
58.20 governor with the advice and consent of the senate. The members of the board shall fairly  
58.21 represent the geographic areas of the state. The members are:

58.22 (1) a chair, designated by the governor;

58.23 (2) three public members experienced in policy formulation with professional  
58.24 experience in health care delivery; and

58.25 (3) at least five members experienced in policy formulation with professional  
58.26 experience in health care delivery who are members of congressionally chartered veterans  
58.27 organizations or their auxiliaries that have a statewide organizational structure and state  
58.28 level officers in Minnesota.

58.29 The commissioner of veterans affairs shall serve as an ex officio, nonvoting member  
58.30 of the board. From each house of the legislature, the chair of the committee that deals  
58.31 with veterans affairs or the chair's designee shall serve as an ex officio, nonvoting member  
58.32 ~~if that person is a veteran~~ of the board.

58.33 Sec. 6. Minnesota Statutes 2006, section 198.004, subdivision 1, is amended to read:

59.1 Subdivision 1. **Appointment.** (a) The board shall appoint an executive director. The  
59.2 executive director shall serve in the unclassified service at the pleasure of the board. The  
59.3 executive director must be a resident of the state of Minnesota, a citizen of the United  
59.4 States; and, except as provided in paragraph (b), a veteran as that term is defined in section  
59.5 197.447. The executive director shall serve as secretary of the board.

59.6 (b) When selecting an executive director, the board shall give preference to qualified  
59.7 applicants who are veterans by initially placing only the names of qualified applicants who  
59.8 are veterans on the selection list for final consideration, and only if the list contains fewer  
59.9 than three qualified applicants who are veterans shall the names of qualified applicants  
59.10 who are not veterans be added to the list. The board shall then select the most qualified  
59.11 applicant from the list. If at any point in the selection process the board concludes that  
59.12 no applicant is sufficiently qualified for the director position, the board may reopen the  
59.13 application process.

59.14 **Sec. 7. PSYCHOLOGICAL COUNSELING SERVICES REPORT.**

59.15 By November 1, 2007, the commissioner of veterans affairs and the adjutant general  
59.16 of the National Guard, in consultation with relevant policy personnel and professional  
59.17 staff of the Minnesota Veterans Homes Board and the United States Department of  
59.18 Veterans Affairs, shall jointly report to the chair and ranking minority member of each  
59.19 committee in the senate and house of representatives with jurisdiction over the policy or  
59.20 finance of veterans affairs and military affairs regarding the psychological status and  
59.21 needs of soldiers and veterans returning to Minnesota after having served in support of  
59.22 contingency operations for Operation Enduring Freedom and Operation Iraqi Freedom.

59.23 The report must provide the best relevant insights into and advice concerning how  
59.24 to most effectively provide the psychological support services determined to be needed  
59.25 by those soldiers and veterans. The report shall also provide an overview and discussion  
59.26 of the types of federal, state, and local mental health resources available to soldiers and  
59.27 veterans throughout the state, with particular emphasis on the role and capabilities of  
59.28 the mental health facility under planning by the Minnesota Veterans Homes Board in  
59.29 Kandiyohi County.